

RICHARD WARREN, PRESIDENT

MIKE COOKSLEY, VICE-PRESIDENT

JAY MARTIN, BOARD MEMBER

CHUCK ENGELKEN, BOARD MEMBER



MIKE CLAUSEN, BOARD MEMBER

RANDY WOODARD, BOARD MEMBER

NANCY OJEDA, BOARD MEMBER

CITY OF LA PORTE DEVELOPMENT CORPORATION MEETING AGENDA

Notice is hereby given of a meeting of the City of La Porte Development Corporation to be held on November 11, 2015, at the City Hall Council Chambers, 604 W. Fairmont Parkway, La Porte, Texas, beginning at 5:00 PM to consider the following items of business:

1. CALL TO ORDER

2. CONSENT AGENDA *(All consent agenda items are considered routine by the La Porte Development Corporation Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member requests an item be removed and considered separately)*

- (a) Consider approval or other action regarding minutes of the meeting of the La Porte Development Corporation Board held on October 28, 2015 - S. Harris

3. STAFF REPORTS

- (a) Receive Financial Report - S. Livingston

4. PUBLIC HEARING AND ASSOCIATED MATTERS

- (a) Public hearing to receive comments regarding proposed project of the La Porte Development Corporation in an amount not to exceed \$250,000.00, to promote and develop a new and expanded business enterprise, through site improvements and other related improvements for infrastructure for property located at 1010 S. Broadway Street, La Porte, TX - S. Livingston
- (b) Consider approval or other action authorizing project of the La Porte Development Corporation in an amount not to exceed \$250,000.00, to promote and develop a new and expanded business enterprise, through site improvements and other related improvements for infrastructure for property located at 1010 S. Broadway Street, La Porte, TX - S. Livingston
- (c) Public hearing to receive comments regarding proposed project of the La Porte Development Corporation in an amount not to exceed \$400,000.00, to promote and develop a new and expanded business enterprise, through site improvements and other related improvements for infrastructure at the former Texas Parks & Wildlife building located at 102 E. Main Street and 105 San Jacinto Street, La Porte, TX - S. Livingston
- (d) Consider approval or other action authorizing project of the La Porte Development Corporation in an amount not to exceed \$400,000.00, to promote and develop a new and expanded business enterprise, through site improvements and other related improvements for infrastructure at the former Texas Parks & Wildlife building located at 102 E. Main Street and 105 San Jacinto Street, La Porte, TX - S. Livingston

5. PRESENTATIONS

- (a) Receive presentation regarding Certification as an Accredited Economic Development Organization (AEDO) - S. Livingston

6. DISCUSSION AND POSSIBLE ACTION

- (a) Discussion and possible action regarding a Request for Professional Services to formulate an Economic Development Strategic Plan - S. Livingston
- (b) Consider approval or other action to adopt the findings of the Economic Development Incentives Committee and approve a new incentives policy for all new or expanding businesses in La Porte - S. Livingston

7. SET DATE FOR NEXT MEETING

- 8. Board member comments regarding matters appearing on agenda; Recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies.**

9. Adjourn

The La Porte Development Corporation Board reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code (the Texas open meetings laws).

In compliance with the Americans with Disabilities Act, the City of La Porte will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact Patrice Fogarty, City Secretary, at 281.470.5019.

CERTIFICATION

I certify that a copy of the November 11, 2015, agenda of items to be considered by the Board of the La Porte Development Corporation was placed on the City Hall Bulletin Board on November 4, 2015.



Patrice Fogarty, City Secretary

RICHARD WARREN, PRESIDENT
MIKE COOKSLEY, VICE PRESIDENT
CHUCK ENGELKEN, BOARD MEMBER
JAY MARTIN, BOARD MEMBER



MIKE CLAUSEN, BOARD MEMBER
RANDY WOODARD, BOARD MEMBER
NANCY OJEDA, BOARD MEMBER

MINUTES OF LA PORTE DEVELOPMENT CORPORATION BOARD MEETING OF OCTOBER 28, 2015

The City of La Porte Development Corporation Board met on **October 28, 2015**, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, at **5:00 p.m.** to consider the following items of business:

1. CALL TO ORDER

President Richard Warren called the meeting to order at 5:10 p.m. The following members of the La Porte Development Corporation Board were present: Board members Martin, Ojeda and Woodard. Absent: Vice-President Cooksley, Board members Clausen and Engelken. Staff Present: Corby Alexander, Traci Leach, Michael Dolby, Sharon Harris, Scott Livingston, and Clark Askins.

2. CONSENT *(All consent agenda items are considered routine by the La Porte Development Corporation Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member requests an item be removed and considered separately.)*

(a) Consider approval of minutes of the meeting of La Porte Development Corporation Board held on September 30, 2015 – S. Harris

Board member Woodard moved to approve minutes of the meeting of La Porte Development Corporation Board held on September 30, 2015. Board member Ojeda seconded. **MOTION PASSED.**

Ayes:	President Warren, Board members Ojeda, Martin and Woodard
Nays:	None
Absent:	Vice-President Cooksley, Board members Clausen and Engelken

3. STAFF REPORTS

(a) Receive Financial Report – M. Dolby

Finance Director Michael Dolby provided the Financial Report.

4. PUBLIC HEARING AND ASSOCIATED MATTERS

(a) Public Hearing to receive comments regarding Staff recommendation to approve a proposed program by the La Porte Development Corporation in an amount not to exceed \$250,000.00 to promote and develop new and expanded business enterprises, specifically for site improvements and other related improvements for infrastructure, for qualifying businesses throughout the City of La Porte participating in the 2015-2016 La Porte Enhancement Grant Program – S. Livingston

The public hearing opened at 5:13 p.m.

Economic Development Coordinator Scott Livingston presented a summary.

There being no public comments, the public hearing closed at 5:16 p.m.

- (b) Consider approval or other action to designate the La Porte Enhancement Grant Program as a project for FY 2016 to promote and develop new and expanded business enterprises, specifically for site improvements and other related improvements for infrastructure, for qualifying businesses throughout the City of La Porte – S. Livingston

Economic Development Coordinator Scott Livingston presented a summary.

Board member Martin moved to designate the La Porte Enhancement Grant Program as a project for FY 2016 not to exceed \$250,000.00. Board member Ojeda seconded. **MOTION PASSED.**

Ayes:	President Warren, Board members Ojeda, Martin, and Woodard
Nays:	None
Absent:	Vice-President Cooksley and Board members Clausen and Engelken

5. DISCUSSION AND POSSIBLE ACTION

- (a) Discussion and possible action regarding a proposed Request for Proposal for professional services for a Multi-Use Civic Center in the City of La Porte – S. Livingston

Economic Development Coordinator Scott Livingston presented a summary and provided information on a proposed 20-acre mixed-use development to be located north of the northeast corner of Wharton Weems Blvd., and Hwy-146, that is also proposed to include a full service hotel with a conference center. Mr. Livingston also advised the project will be presented to the Planning and Zoning Commission on Thursday, November 19, 2015 and can have an impact on the proposed Request for Proposal for professional services for a Multi-Use Civic Center in the City of La Porte. Mr. Livingston advised Board members they can consider sending out the proposed request for proposal; make revisions to the proposed request for proposal, or consider partnering with the developer of the proposed 20-acre mixed-use development to be located north of the northeast corner of Wharton Weems Blvd., and Hwy-146.

Board member Woodard asked if the developer has land under contract. Mr. Livingston responded the 20-acres are under contract for purchase.

Board member Martin suggested waiting until the proposed 20-acre mixed-use development is presented to the Planning and Zoning Commission on November 19, 2015. Board members agreed to bring the proposed Request for Proposal for professional services for a Multi-Use Civic Center back on December 14, 2015.

6. SET DATE FOR NEXT MEETING

Board members set the next meeting date for Wednesday, November 11, 2015 at 5:00 p.m., and Monday, December 14, 2015.

7. **BOARD MEMBER COMMENTS** regarding matters appearing on agenda; recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies.

Board member Martin asked for an update on Fischer's Do-It Best Hardware. Economic Development Coordinator reported the project estimates have been revised and will be presented at the next on November 11, 2015.

8. **EXECUTIVE SESSION** – The La Porte Development Corporation reserves the right to meet in executive session on any agenda item should the need arise and if authorized by the Texas Open Meetings Act, Title 5, Chapter 551, of the Texas Government Code, including, but not limited to, the following:

Texas Government Code, Section 551.072 – For the purpose of deliberating the purchase, exchange, lease or value of real property: Meet with Economic Development Coordinator to discuss possible purchase of real estate by the La Porte Development Corporation.

Board members recessed the La Porte Development Corporation Board meeting to convene an executive session at 5:45 p.m. to meet with Economic Development Coordinator to discuss possible purchase of real estate by the La Porte Development Corporation.

9. **RECONVENE** into regular session and consider action, if any, on items discussed in executive session.

Board members reconvened into the La Porte Development Corporation Board meeting at 6:08 p.m.

There was no action taken.

10. **ADJOURN**

There being no further business, Board member Martin moved to adjourn the meeting at 6:08 p.m. Board member Ojeda seconded. **MOTION PASSED.**

Respectfully submitted,

Sharon Harris, Assistant City Secretary

Passed and approved on this 11th day of November, 2015.

President Richard Warren

This is an Unaudited Statement.

**City of La Porte
La Porte Development Corporation (038) Fund Summary
(Section 4B Sales Tax)**

	<u>Previous Report</u>	<u>FY 2014-15</u>	<u>FY 2013-14</u>
<i>Unaudited Beginning Fund Balance 9/30</i>	\$ 3,322,635	\$ 3,322,635	\$ 2,768,155
Plus Year to Date Revenues:			
1/2 Cent Sales Tax	1,268,726	2,097,221	1,892,561
Transfers-In	175,000	175,000	-
Interest Income	5,003	7,734	5,565
Total Revenues	<u>1,448,729</u>	<u>2,279,955</u>	<u>1,898,126</u>
<i>Equals Total Resources</i>	4,771,364	5,602,590	4,666,281
Less Year to Date Expenditures:			
Payroll	65,010	103,544	69,790
Supplies	416	1,550	1,561
Services & Charges (Memberships, Training, Advertising, Legal, Utilities)	188,429	251,078	606,484
Capital Outlay	-	-	177,000
Debt Service Transfer *	722,545	1,083,817	948,545
Total Expenditures	<u>976,400</u>	<u>1,439,989</u>	<u>1,803,380</u>
<i>Estimated Year to Date Fund Balance as of 9/30/2015</i>	\$ 3,794,964	\$ 4,162,601	\$ 2,862,901
Commitments			
Pipeline Grill		\$ 300,000	
Richard Industrial Group		10,000	
ACT Independent Turbo Service, Inc.		426,000	
Debt Service Reserve		1,083,817	
		<u>\$ 1,819,817</u>	
<i>Adjusted Year to Date Fund Balance</i>		\$ 2,342,784	

Projection Through Year End

<i>Adjusted Year to Date Fund Balance</i>	\$ 2,342,784
<i>Plus: Estimated Sales Tax</i>	277,779
<i>Less: Estimated Operational Costs</i>	-
<i>Less: Debt Service Transfers</i>	<u>-</u>
<i>Projected Year End Fund Balance</i>	\$ 2,620,563

Sales tax revenues for Fiscal Year 2015 are estimated to be \$2,375,000.

Previously Funded Projects (Funding in Fund 015 - General CIP Fund)

	<u>Budget</u>	<u>Expenditures</u>	<u>Balance</u>
Façade Grants	300,000	115,909	184,091
Total	<u>300,000</u>	<u>115,909</u>	<u>184,091</u>

**Debt Service Payments for Library, Bay Area Boulevard & Canada Road and Ballfields.*

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>November 11, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<p style="text-align: center;"><u>Appropriation</u></p> Source of Funds: Account Number: Amount Budgeted: Amount Requested: Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO
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Exhibits:

SUMMARY & RECOMMENDATIONS

Per the Board's vote and action taken on this project at the Board meeting on Wednesday, 26 August 2015, on 3 September 2015 (see enclosed) ED Staff published 60 day notice in the Bay Area Observer of a public hearing to consider awarding an economic development incentive grant to Fischer's Do It Best Hardware for an amount not to exceed \$250,000. Since the Board meeting in late August, ED Staff and City Attorney Clark Askins also crafted a proposed development agreement to facilitate the expansion of Fischer's Hardware.

During Fischer Hardware's review of the proposed development agreement, staff learned that some of the project estimates will be revised. The principals of Fischer's Hardware plan to undertake each of the projects shared and discussed in previous presentations, but need to reduce the amount of money that will be spent on some of the projects. Once revised information about the project is ready, staff will present it to the Board for consideration. Since the revised estimates for this project are unavailable, a proposed development agreement for this project is not available at this time.

While the project principals are not planning to request an economic development incentive grant greater than \$250,000, and the other primary parameters of the project remain unchanged, it would be understandable if the Board preferred to wait until all components of the project were known. Staff recommends that, at a minimum, the Board open the public hearing, as scheduled, to avoid re-publication of the public notice. Once the public hearing has been opened, the Board has wide discretion as to what type of action is taken. Some options are listed below:

- Vote and take action on the incentive grant request for the proposed project as presented previously by the applicant; or
- Discuss the proposed project and table the public hearing to a future date; or
- Table the public hearing (without discussion) to a future date.

Action Required by the La Porte Development Corporation:

Consider approval or other action to award an economic development incentive to the owners of Fischer's Do It Best Hardware for an amount not to exceed \$250,000.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>November 11, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<u>Appropriation</u> Source of Funds: Account Number: Amount Budgeted: Amount Requested: Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO
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Exhibits:

1. Public Hearing Notice

SUMMARY & RECOMMENDATIONS

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Consider approval or other action to award an economic development incentive to the owners of Fischer's Do It Best Hardware for an amount not to exceed \$250,000.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

LEGAL/PUBLIC NOTICES

To Place Legal and Public Notices:
Email editor@bayareaobserver.com or Call 281-907-3140

PUBLIC NOTICE

You are hereby notified that the building(s)/structure(s) located at the below-referenced address(s) remain unfit for human use or habitation or is obsolete, dilapidated, or substandard, and is in violation of the City of La Porte Code of Ordinances # 82-476.

On August 24, 2015 the City of La Porte City Council convened at a Public Hearing and issued Condemnation Ordinances for the below listed properties:

- 204 N. Forrest Ave. TWO STRUCTURES ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #035-208-005-0018
Legal Description: Blk. 5; Lot 8; Sylvan Beach First Subdivision
Improvements: \$ 31,942.00
Taxes Owed: \$ 0
- 514 N. 5th St ONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #023-216-004-0009
Legal Description: Blk. 104; Lots 9 & 10; La Porte – Harris County
Improvements: \$ 39,495.00
Taxes Owed: \$ 0
- 626 N. 1st St. ONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #024-037-027-0003
Legal Description: Blk. 327; Lots 3-4; Town of La Porte- Harris County
Improvements: \$ 17,803.00
Taxes Owed: \$ 0
- 330 S. 5th St. sONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #023-162-018-0017
Legal Description: Blk. 18; Lots 17, 18, & 19; La Porte
Improvements: \$ 13,614.00
Taxes Owed: \$ 0

A complete copy of the above-listed orders may be obtained at the City Secretary's Office, City of La Porte, 604 W. Fairmont Parkway, La Porte, TX 77571

CITY OF LA PORTE
Patrice Fogarty, City Secretary

In compliance with the Americans with Disabilities Act, the City of La Porte will provide for reasonable accommodation for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact Patrice Fogarty, City Secretary, at 281.470.5019.

NOTICE OF PUBLIC HEARING

Notice is hereby given that the City Council of the City of La Porte will hold a Public Hearing on the 14th day of September 2015, in the Council Chambers of the City Hall, 604 West Fairmont Parkway, La Porte, Texas, beginning at 6:00 P.M. The purpose of this hearing is to provide citizens the opportunity to comment on the overall budget.

This budget will raise more total property taxes than last year's budget by \$1,209,600.00, or 7.08%; and of that amount, \$167,401.27 is tax revenue to be raised from new property added to the tax roll this year.

The City of La Porte must, by Charter requirement, adopt its fiscal budget by September 30, 2015. Copies of the adopted budget will be available for public inspection and copying at the office of the City Secretary, City Hall, 604 West Fairmont Parkway, La Porte, Texas, and the La Porte Community Library, 600 South Broadway, La Porte, Texas, during normal business hours. Copies will also be made available on the City's website.

CITY OF LA PORTE
Patrice Fogarty, TRMC, MMC
City Secretary

NOTICE OF PUBLIC HEARING

LA PORTE DEVELOPMENT CORPORATION BOARD (TYPE B BOARD)

Notice is hereby given that the La Porte Development Corporation Board (Type B Board) of the City of La Porte, Texas will conduct a public hearing at **5:00 p.m.** on the **11th day of November, 2015**, in the Council Chambers at City Hall, 604 West Fairmont Parkway, La Porte, Texas. The purpose of the public hearing is to receive public input on a proposed project by the La Porte Development Corporation in an amount not to exceed \$400,000.00, to promote and develop a new and expanded business enterprise, through site improvements and other related improvements for infrastructure at the former Texas Parks & Wildlife building located at 102 E. Main Street and 105 San Jacinto Street, La Porte, TX 77571.

Persons wishing to address the Board pro or con shall be required to sign in before the meeting is convened.

CITY OF LA PORTE
Patrice Fogarty, TRMC
City Secretary

A quorum of City Council members may be present and participate in discussions during this meeting, however, no action will be taken by Council.

This facility has disability accommodations available. Requests for accommodations or interpretive services at meetings should be made 48 hours prior to the meeting. Please contact the City Secretary's office at (281) 471-5020 or TDD Line (281) 471-5030 for further information.

NOTICE OF PUBLIC HEARING

LA PORTE DEVELOPMENT CORPORATION BOARD (TYPE B BOARD)

Notice is hereby given that the La Porte Development Corporation Board (Type B Board) of the City of La Porte, Texas will conduct a public hearing at **5:00 p.m.** on the **11th day of November, 2015**, in the Council Chambers at City Hall, 604 West Fairmont Parkway, La Porte, Texas. The purpose of the public hearing is to receive public input on a proposed project by the La Porte Development Corporation in an amount not to exceed \$250,000.00, to promote and develop an expanded business enterprise, through site improvements and other related improvements for infrastructure at property located at 1010 S. Broadway Street, La Porte, TX 77571.

Persons wishing to address the Board pro or con shall be required to sign in before the meeting is convened.

CITY OF LA PORTE
Patrice Fogarty, TRMC
City Secretary

A quorum of City Council members may be present and participate in discussions during this meeting, however, no action will be taken by Council.

This facility has disability accommodations available. Requests for accommodations or interpretive services at meetings should be made 48 hours prior to the meeting. Please contact the City Secretary's office at (281) 471-5020 or TDD Line (281) 471-5030 for further information.

2015 Property Tax Rates in City of Morgan's Point

This notice concerns the 2015 property tax rates for City of Morgan's Point. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's effective tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's rollback tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$1,396,366
Last year's debt taxes	\$150,044
Last year's total taxes	\$1,546,410
Last year's tax base	\$188,788,958
Last year's total tax rate	\$0.819121/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$1,546,335
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÷ This year's adjusted tax base (after subtracting value of new property)	\$180,311,019
--	---------------

= This year's effective tax rate \$0.857593/\$100
(Maximum rate unless unit publishes notices and holds hearings.)

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$1,396,289
÷ This year's adjusted tax base	\$180,311,019
= This year's effective operating rate	\$0.774378/\$100
x 1.08 =this year's maximum operating rate	\$0.836328/\$100
+ This year's debt rate	\$0.182076/\$100
= This year's total rollback rate	\$1.018404/\$100

Statement of Increase/Decrease

If City of Morgan's Point adopts a 2015 tax rate equal to the effective tax rate of \$0.857593 per \$100 of value, taxes would increase compared to 2014 taxes by \$6,582.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	1,307,320
Debit Service Fund	154,108

Schedule B - 2015 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2015 Certificate of Obligation	85,000	158,467	750	244,217
2012 Certificate of Obligation	31,336	16,164	0	47,500
2010 Certificate of Obligation	22,347	15,653	0	38,000
Total required for 2015 debt service				\$329,717
- Amount (if any) paid from Schedule A				\$0
- Amount (if any) paid from other resources				\$0
- Excess collections last year				\$0
= Total to be paid from taxes in 2015				\$329,717
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2015				\$0
= Total debt levy				\$329,717

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 604 West Fairmont Parkway, La Porte, Texas 77571.

Name of person preparing this notice: Katherine R Powell
Title: Revenue Manager
Date Prepared: 08/27/2015

**WILDLIFE
CENTER
OF TEXAS**

7007 Katy Rd. • Houston, TX 77024
713-861-9453
wildlifecenteroftexas.org

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>November 11, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<u>Appropriation</u> Source of Funds: Account Number: Amount Budgeted: Amount Requested: Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO
Exhibits:	

SUMMARY & RECOMMENDATIONS

Per the Board's vote and action taken on this project at the Board meeting on Wednesday, 26 August 2015, on 3 September 2015 (see enclosed) ED Staff published at least 60 day public notice in the Bay Area Observer of a public hearing to consider committing up to \$400,000 to renovate the city-owned TPW building and attract the Brigadoon Brewery to the site.

Due to the lack of a required financial guarantee by the Brigadoon Brewery, staff recommends that this item be addressed with no further action.

If/when the proposed project finds another suitable location, besides the TPW building, in La Porte, staff will bring the new, proposed project back to the Board for consideration.

Action Required by the La Porte Development Corporation:

None.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

<p>Agenda Date Requested: <u>November 11, 2015</u></p> <p>Requested By: <u>Scott D. Livingston</u></p> <p>Department: <u>Economic Development/Tourism</u></p> <p>Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/></p>	<p style="text-align: center;"><u>Appropriation</u></p> <p>Source of Funds:</p> <p>Account Number:</p> <p>Amount Budgeted:</p> <p>Amount Requested:</p> <p>Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO</p>
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Exhibits:

1. Public Hearing Notice

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Corby D. Alexander, City Manager

Date

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PUBLIC NOTICE

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Improvements: \$ 31,942.00
Taxes Owed: \$ 0
- 514 N. 5th St ONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #023-216-004-0009
Legal Description: Blk. 104; Lots 9 & 10; La Porte – Harris County
Improvements: \$ 39,495.00
Taxes Owed: \$ 0
- 626 N. 1st St. ONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #024-037-027-0003
Legal Description: Blk. 327; Lots 3-4; Town of La Porte- Harris County
Improvements: \$ 17,803.00
Taxes Owed: \$ 0
- 330 S. 5th St. sONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #023-162-018-0017
Legal Description: Blk. 18; Lots 17, 18, & 19; La Porte
Improvements: \$ 13,614.00
Taxes Owed: \$ 0

A complete copy of the above-listed orders may be obtained at the City Secretary's Office, City of La Porte, 604 W. Fairmont Parkway, La Porte, TX 77571

CITY OF LA PORTE
Patrice Fogarty, City Secretary

In compliance with the Americans with Disabilities Act, the City of La Porte will provide for reasonable accommodation for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact Patrice Fogarty, City Secretary, at 281.470.5019.

NOTICE OF PUBLIC HEARING

Notice is hereby given that the City Council of the City of La Porte will hold a Public Hearing on the 14th day of September 2015, in the Council Chambers of the City Hall, 604 West Fairmont Parkway, La Porte, Texas, beginning at 6:00 P.M. The purpose of this hearing is to provide citizens the opportunity to comment on the overall budget.

This budget will raise more total property taxes than last year's budget by \$1,209,600.00, or 7.08%; and of that amount, \$167,401.27 is tax revenue to be raised from new property added to the tax roll this year.

The City of La Porte must, by Charter requirement, adopt its fiscal budget by September 30, 2015. Copies of the adopted budget will be available for public inspection and copying at the office of the City Secretary, City Hall, 604 West Fairmont Parkway, La Porte, Texas, and the La Porte Community Library, 600 South Broadway, La Porte, Texas, during normal business hours. Copies will also be made available on the City's website.

CITY OF LA PORTE

Patrice Fogarty, TRMC, MMC
City Secretary

NOTICE OF PUBLIC HEARING

LA PORTE DEVELOPMENT CORPORATION BOARD (TYPE B BOARD)

Notice is hereby given that the La Porte Development Corporation Board (Type B Board) of the City of La Porte, Texas will conduct a public hearing at **5:00 p.m.** on the **11th day of November, 2015**, in the Council Chambers at City Hall, 604 West Fairmont Parkway, La Porte, Texas. The purpose of the public hearing is to receive public input on a proposed project by the La Porte Development Corporation in an amount not to exceed \$400,000.00, to promote and develop a new and expanded business enterprise, through site improvements and other related improvements for infrastructure at the former Texas Parks & Wildlife building located at 102 E. Main Street and 105 San Jacinto Street, La Porte, TX 77571.

Persons wishing to address the Board pro or con shall be required to sign in before the meeting is convened.

CITY OF LA PORTE

Patrice Fogarty, TRMC
City Secretary

A quorum of City Council members may be present and participate in discussions during this meeting, however, no action will be taken by Council.

This facility has disability accommodations available. Requests for accommodations or interpretive services at meetings should be made 48 hours prior to the meeting. Please contact the City Secretary's office at (281) 471-5020 or TDD Line (281) 471-5030 for further information.

NOTICE OF PUBLIC HEARING

LA PORTE DEVELOPMENT CORPORATION BOARD (TYPE B BOARD)

Notice is hereby given that the La Porte Development Corporation Board (Type B Board) of the City of La Porte, Texas will conduct a public hearing at **5:00 p.m.** on the **11th day of November, 2015**, in the Council Chambers at City Hall, 604 West Fairmont Parkway, La Porte, Texas. The purpose of the public hearing is to receive public input on a proposed project by the La Porte Development Corporation in an amount not to exceed \$250,000.00, to promote and develop an expanded business enterprise, through site improvements and other related improvements for infrastructure at property located at 1010 S. Broadway Street, La Porte, TX 77571.

Persons wishing to address the Board pro or con shall be required to sign in before the meeting is convened.

CITY OF LA PORTE

Patrice Fogarty, TRMC
City Secretary

A quorum of City Council members may be present and participate in discussions during this meeting, however, no action will be taken by Council.

This facility has disability accommodations available. Requests for accommodations or interpretive services at meetings should be made 48 hours prior to the meeting. Please contact the City Secretary's office at (281) 471-5020 or TDD Line (281) 471-5030 for further information.

2015 Property Tax Rates in City of Morgan's Point

This notice concerns the 2015 property tax rates for City of Morgan's Point. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's effective tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's rollback tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$1,396,366
Last year's debt taxes	\$150,044
Last year's total taxes	\$1,546,410
Last year's tax base	\$188,788,958
Last year's total tax rate	\$0.819121/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$1,546,335
--	-------------

÷ This year's adjusted tax base (after subtracting value of new property)	\$180,311,019
--	---------------

= This year's effective tax rate \$0.857593/\$100
(Maximum rate unless unit publishes notices and holds hearings.)

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$1,396,289
÷ This year's adjusted tax base	\$180,311,019
= This year's effective operating rate	\$0.774378/\$100
x 1.08 =this year's maximum operating rate	\$0.836328/\$100
+ This year's debt rate	\$0.182076/\$100
= This year's total rollback rate	\$1.018404/\$100

Statement of Increase/Decrease

If City of Morgan's Point adopts a 2015 tax rate equal to the effective tax rate of \$0.857593 per \$100 of value, taxes would increase compared to 2014 taxes by \$6,582.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	1,307,320
Debit Service Fund	154,108

Schedule B - 2015 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2015 Certificate of Obligation	85,000	158,467	750	244,217
2012 Certificate of Obligation	31,336	16,164	0	47,500
2010 Certificate of Obligation	22,347	15,653	0	38,000
Total required for 2015 debt service				\$329,717
- Amount (if any) paid from Schedule A				\$0
- Amount (if any) paid from other resources				\$0
- Excess collections last year				\$0
= Total to be paid from taxes in 2015				\$329,717
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2015				\$0
= Total debt levy				\$329,717

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 604 West Fairmont Parkway, La Porte, Texas 77571.

Name of person preparing this notice: Katherine R Powell
Title: Revenue Manager
Date Prepared: 08/27/2015

**WILDLIFE
CENTER
OF TEXAS**

7007 Katy Rd. • Houston, TX 77024
713-861-9453
wildlifecenteroftexas.org

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>November 11, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<u>Appropriation</u> Source of Funds: <u>N/A</u> Account Number: _____ Amount Budgeted: _____ Amount Requested: _____ Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO
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Exhibits:

- 1. IEDC AEDO Presentation**
- 2. IEDC AEDO Brochure**
- 3. IEDC AEDO Guide**

SUMMARY & RECOMMENDATIONS

John Cook, who is a member of the local AEDO Certification Committee for the Greater Houston Area, the Manager of Economic Development at CenterPoint Energy, and former Chairman of the Texas Economic Development Council will be prepared to give a presentation to the Board about the following regarding Certification as an Accredited Economic Development Organization (AEDO):

- AEDO Program Goals,
- AEDO Program Benefits,
- The Accreditation Process,
- The Cost of Accreditation, and
- Examples of Recently Accredited Economic Development Organizations

Following the presentation, John will be available to address any questions the Board may have about the AEDO Certification process.

Action Required by the La Porte Development Corporation:

None

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

The International Economic Development Council's

Accredited Economic Development (AEDO) Program

*Recognizing Professional Excellence in
Economic Development Organizations*

INTERNATIONAL ECONOMIC
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AEDO Program Goals & Benefits

1. Recognize Excellent EDOs
2. Heighten the EDO's Visibility in the Community
3. Provide EDOs with Independent Feedback on their Operations
4. Acknowledge the Organizational Leader's Vital Contribution to the Economic Development Process

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THE POWER OF KNOWLEDGE AND LEADERSHIP

What EDOs Earn Accreditation?

- State and local economic development departments and corporations
- Regional public-private economic development partnerships
- Utility EDOs (New!)
- Private, nonprofit business associations
- International EDOs

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Benefits of Accreditation: *Internal Value*

- Heightened recognition as a leading EDO
- Enhanced authority on economic development issues
- Increased private-sector investment
- Celebrated in the community

Benefits of Accreditation: *External Value*

- Differentiates you from competitors
- Demonstrates your mechanisms and resources
- Provides prospects with confidence that you have capable leadership and active community support

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Promoting Your Organization

IEDC will help accredited organizations promote their achievement of AEDO status in the media...

A profile in IEDC's bimonthly newsletter ***Economic Development Now***

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IEDC Accredits Virginia Beach Department of Economic Development

IEDC has recognized the Virginia Beach Department of Economic Development (VBDED) as an

AEDO

Accredited Economic Development Organization (AEDO). VBDED is a department within the City of Virginia Beach municipal government, facilitating new business development and working with existing businesses in the city.

The department is the lead entity in the Town Center of Virginia Beach development, featured in this edition of *Economic Development Now*. VBDED operates the City of Virginia Beach Development Authority, which is handling development agreements, property acquisition and public infrastructure installation for Town Center. The department resides in Town Center's 23-story Armada Hoffer Tower.

In 2004, the department assisted with the location of 52 new businesses to Virginia Beach and helped 54 existing businesses with expansion needs. These activities have resulted in over \$155 million in capital investment and the creation or retention of 3,485 jobs.

VBDED is one of five organizations in Virginia with accreditation and one of 25 nationwide. For more information on AEDO, please visit our [AEDO page](#) or contact IEDC staff member Alex Iams at aiams@iedconline.org.



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LEADERSHIP

Promoting Your Organization

Exclusive use of the AEDO logo for letterhead, promotional materials, and your website

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SITE SEARCH
[Search Box]
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Welcome, Crystal

Inside IEDC:
About IEDC
Member Exclusives
Join IEDC
Partners/Sponsors

IEDC Programs & Services:
Professional Development
Conferences
Advisory Services
Legislative Affairs
Professional Awards

Online Resources:
IEDC Resource Center
Publications Center
ED Links
Calendar

Accredited Economic Development Organizations

As of June 2005 the following are Accredited Economic Development Organizations:

The Beacon Council
Miami-Dade County's ED Partnership
80 S.W. 8th Street, Ste. 2400
Miami, Florida 33130
Web site: www.beaconcouncil.com

Coordinating and Development Corporation
PO Box 37005
Shreveport, LA 71133
Web site: www.cdconline.org

Cornerstone Alliance
38 West Wall Street
P.O. Box 428
Benton Harbor, MI 49023-0428
Web site: www.cstonealliance.org

FAYETTE COUNTY
Georgia
Development Authority

Locate in Fayette County
Workforce
Infrastructure
Economics
Quality of Life
Useful Links

AEDO

Fayette County
Fayetteville

Links to your homepage from IEDC's website



Other Benefits

- AEDO Plaque to display your organization's achievement
- Participation in the Annual Meeting of AEDO Communities at IEDC's Annual Conference

How AEDOs Rate the Program

93% say that accreditation benefits their organization

Most Important Benefits:

- Recognition of Accomplishments
- Recommendations and evaluation from report

Very Important Benefits:

- Peer mentoring provided during site visit
- Adds credibility to funding and support efforts
- Marketing opportunities
- Compiling materials for the application
- Increased Exposure through IEDC



What Critical Issues Does the AEDO Program Examine?

Does the Organization:

- Have professional leadership and staffing adequate to its mission?
- Retain the necessary budget and resources?
- Possess the support of the community or region with active commitment and participation?
- Maintain and follow a strategic plan while allocating resources based on the mission and identified opportunities?

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THE POWER OF KNOWLEDGE AND LEADERSHIP

The Accreditation Process

Not “pass or fail,” but a process...

Phase 1: Documentation Review

- Applicants submit documents demonstrating the organization’s development, structure, and activity
 - Mission & Goals Statement
 - Strategic Plan
 - Annual Budget
 - Review of Successful Development Projects
 - Marketing Materials

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Documentation Review

1. Mission & Goals Statement
2. Articles of Incorporation & Bylaws
3. Last Audited Financial Statement
4. Last Annual Report
5. Minutes of last four board meetings
6. Officers' Roles & Responsibilities Description
7. Organizational Chart & Employee Job Descriptions
8. Marketing Plan
9. Strategic Plan
10. Copies of All Current Marketing Materials
11. Annual Budget
12. IRS Letter of Exemption
13. Most Recent IRS Form 990 (If Applicable)
14. Staff Policy & Procedures Manual
15. Commitment of Support to CEO
16. Review of Successful Development Projects
17. Organizational Newsletters
18. Press Releases

The Accreditation Process

Phase 2: Site-Team Visit

- An AEDO Review Team will assess the organization in action
 - Community tour
 - Corporate visits
 - Meetings with community leaders
 - Staff interviews
- * Site visits are conducted by members of the AEDO Subcommittee and/or CEcDs
- Reaccreditation every three years

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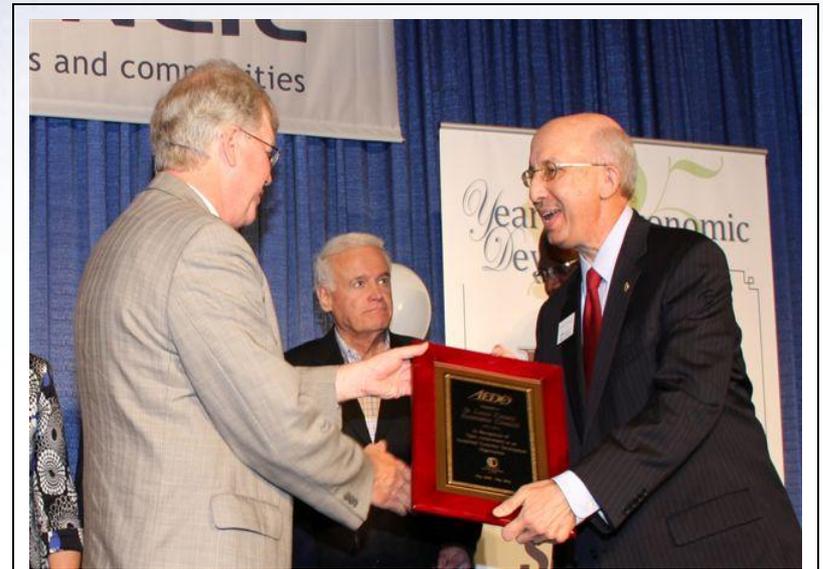
The AEDO Advisory Committee

The Advisory Committee that oversees the Program is composed of:

- Seasoned economic development leaders (20+ years in the profession)
- CEcDs
- Leaders of AEDO organizations

Accreditation Notification & Awards

- Custom-Designed AEDO Award Plaque
- Official IEDC Press Release
- AEDO Logo Slick
- Site-Team Visit Report with Recommendations



Denny Coleman, President & CEO of St. Louis County Economic Council ,receives the AEDO plaque from Jeff Finkle, CEO of IEDC

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How Much Does It Cost?

- Application Fee: \$275
 - (\$300 for State-Level Organizations)
- Sliding Scale: Fee Based on Organizational Budget (Scale on Next Slide)
- Reimbursement for the 2-3 Person Review Team's Transportation (Coach Airfare), Meals, and Accommodations

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AEDO FEE SCHEDULE

Organizational Budget	Application Fee	Accreditation Fee* Member (Non-member)	Re-accreditation Fee* Member (Non-member)
Under \$150,000	\$275	\$1100 (\$1440)	\$700 (\$1080)
\$150,000 – \$299,999	\$275	\$1210 (\$1560)	\$800 (\$1200)
\$300,000 – \$499,999	\$275	\$1430 (\$1920)	\$900 (\$1440)
\$500,000 – \$749,000	\$275	\$1725 (\$2600)	\$1100 (\$1680)
\$750,000 – \$999,999	\$275	\$2070 (\$3100)	\$1200 (\$1800)
\$1 mil – \$1, 999,999 mil	\$275	\$2415 (\$3630)	\$1400 (\$2160)
\$2 mil – \$2, 999,999 mil	\$275	\$4600 (\$6900)	\$3000 (\$4200)
\$3 mil – \$3, 999,999 mil	\$275	\$5750 (\$8630)	\$3500 (\$4800)

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Benchmarking Excellence

- In 2009, IEDC and the Georgia Tech Enterprise Innovation Institute launched a new initiative to create up-to-date benchmarks by surveying current AEDOs.
- Stakeholders from each organization were asked to assess their organizations on the basis of 10 key indicators related to quality management.
- Certain key similarities among AEDOs were found—particularly in the areas of Customer and Market Focus, Partnerships and Relationships, and Results.



Congratulations to **Newly Accredited** Members!

Over the past year, the AEDO committee voted to **accredit:**

1. Industrial Development Commission of Mexicali
2. Research Triangle Regional Partnership
3. Greater Halifax Partnership
4. CenterPoint Energy Houston
5. Lake Superior Community Partnership



Congratulations to **Reaccredited** Members!

Over the past year, the AEDO committee voted to **reaccredit:**

1. Business Development Board of Palm Beach County
2. Greater Conroe Economic Development Council
3. Laredo Development Foundation
4. Roanoke County Department of Economic Development
5. Tulare County Economic Development Corporation
6. Coordinating and Development Corporation
7. Tyler Economic Development Council, Inc.
8. Huntington Area Development Council
9. Hampton Roads Economic Development Alliance



Congratulations to Newly Accredited &
Reaccredited Members!

29 Total AEDOs

1 Utility AEDO

2 International AEDOs





Accredited Economic Development Organizations



INTERNATIONAL ECONOMIC
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**For more AEDO
program information, contact:**

Liz Thorstensen
Interim Director,
Knowledge Management and Development
ethorstensen@iedconline.org

www.iedconline.org/?p=AEDO

Accredited Economic Development Organization (AEDO)



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Organizational Accreditation



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Recognizing
Professional
Excellence

in Economic Development
Organizations

IEDC's Accredited Economic Development Organization (AEDO) Program is a means of recognizing the professional excellence of economic development entities. The AEDO Program provides economic development organizations with independent feedback on their operations, structure, and procedures. To date, more than 30 organizations have gone through the accreditation process.

An Elite Network

The AEDO Program offers your organization the opportunity to be part of an elite network that is the "best of the best" in the profession.

In today's competitive and challenging economic environment, it is vital to show that your organization is at the top of the field.

Organizations that achieve the AEDO status become part of a distinguished network in the economic development field. This level of professional excellence heightens the visibility of your organization in the community and validates your commitment to higher achievement.

"The AEDO designation is a statement to our community, clients and stakeholders that we take economic development seriously and that we are committed to strategic planning, organizational performance and excellent customer service. It is not just a designation; it is a description of the way we operate as one of the best!"

— PAUL SALDANA, CEcD, PRESIDENT & CEO,
ECONOMIC DEVELOPMENT CORPORATION,
SEQUOIA VALLEY/TULARE COUNTY, CA



Benchmarking Excellence

AEDO organizations benefit from the unique partnership between IEDC and the Georgia Tech Enterprise Innovation Institute to benchmark excellence in quality management among AEDOs located across North America. The AEDO Program has informed other economic development organizations (EDOs) about the attributes needed to be a high-performing organization in economic development, as well as identified opportunities for continual improvement. It has provided a set of often-cited benchmarks.

Who Achieves Accreditation?

- State and Local Government Economic Development Departments
- Regional Public-Private Economic Development Partnerships
- Private Non-Profit Business Associations
- Utility Economic Development Departments

New! Accreditation for Utilities

IEDC is offering economic development departments of utilities the unique opportunity to go through the AEDO accreditation process. The process is the same, but gives specific consideration to the industry's unique responsibilities and objectives.

“St. Louis County is very proud of the Economic Council’s AEDO accreditation. We strive to deliver the best professional services and programs in all our economic development endeavors, and this special recognition reinforces our credibility, knowledge and expertise to clients and community leaders.”

— CHARLIE A. DOOLEY, ST. LOUIS COUNTY EXECUTIVE, ST. LOUIS, MO

AEDO Communities

- The Beacon Council, Miami, FL
- Berks Economic Partnership, Reading, PA
- Brooks Development Authority, Brooks City Base, San Antonio, TX
- Business Development Board of Palm Beach County, West Palm Beach, FL
- Cabarrus Economic Development, Kannapolis, NC
- City of Virginia Beach Department of Economic Development, Virginia Beach, VA
- Coordinating and Development Corporation, Shreveport, LA
- Cornerstone Alliance, Benton Harbor, MI
- Delaware Economic Development Office, Dover, DE
- Fond du Lac County Economic Development Corporation, Fond du Lac, WI
- Greater Conroe Economic Development Council, Conroe, TX
- Greater Houston Partnership, Houston, TX
- Hampton Roads Economic Development Alliance, Norfolk, VA
- HuntingtonAreaDevelopment Council, Huntington, WV
- HuttoEconomicDevelopment Corporation, Hutto, TX
- Jefferson Parish Economic Development Commission, Metairie, LA
- Laredo Development Foundation, Laredo, TX
- Muncie-Delaware County Indiana Economic Development Alliance, Muncie, IN
- North Carolina’s Eastern Region, Kinston, NC
- Ponca City Development Authority, Ponca City, OK
- Research Triangle Regional Partnership, Morrisville, NC
- Roanoke County Department of Economic Development, Roanoke, VA
- Roanoke Valley Economic Development Partnership, Roanoke, VA
- Sacramento Area Commerce and Trade Organization, Sacramento, CA
- St. Louis County Economic Council, St. Louis, MO
- Tulare County Economic Development Corporation, Tulare, CA
- Tyler Economic Development Council, Inc., Tyler, TX



Accreditation

Critical Issues for Accreditation

The designation recognizes the professional excellence of EDOs and provides independent feedback on their operations, structures, and procedures. The AEDO review team assesses each applicant organization based on four critical issues for accreditation:

- Mission, Vision, and Strategic Plan
- Professional Leadership and Staffing
- Budget and Resources
- Relationships with Community Stakeholders

Why Accreditation?

Successful accreditation adds value to your organization!

- Increases the credibility of your economic development efforts with local leaders, investors, clients, and other stakeholders.
- Provides mentoring and networking with experts in the field.
- Gives your organization the distinction of being an authority on economic development.
- Promotes accountability to local leadership and key stakeholders.
- Differentiates your economic development organization from competitors.
- Enhances team awareness.

From beginning to end, the entire AEDO accreditation process is an excellent way to benchmark your organization and develop sustainable best practices.

Accreditation Process

The AEDO accreditation process is a voluntary procedure undertaken by economic development organizations that are striving for professional excellence.

This peer review process is unmatched and consists of two phases designed to gather specific information about the candidate organization. Transitioning from one phase of the process to the next is contingent upon a rigorous review from Certified Economic Developers (CECDs) and economic development leaders.

Phase 1: Documentation Review

- Candidates submit documentation demonstrating that the organization has the systems, policies, and procedures in place to successfully achieve its mission.
- The AEDO review team will then meticulously review the documents before making its decision as to whether the applicant organization is suited to go on to the second phase. If questions arise, the review team will follow up directly with the applicant organization. Successful demonstration is necessary before the applicant moves on to the second phase.

Phase 2: Site Team Visit

- An on-site visit is scheduled with an expert team of economic development peers.
- The AEDO team assesses the operations of the organization during a 1.5 day site visit.



Benefits & Maintenance

Benefits of AEDO Status

- Exclusive use of the AEDO logo
- A profile in Economic Development Now, IEDC's bi-monthly newsletter
- Assistance with the media announcement of your AEDO accreditation
- A link to your organization's homepage on IEDC's website
- A plaque to proudly display your organization's achievement
- Participation in the Annual Meeting of AEDO Communities at IEDC's Annual Conference

Maintaining Accreditation

Organizations that become accredited must go through a review and reaccreditation process every three years by the AEDO committee. The reaccreditation process provides an opportunity to regularly assess areas where improvements would be beneficial.

"As President & CEO of the San Antonio Hispanic Chamber of Commerce, I was pleased to be asked to participate in the AEDO peer review process on behalf of the Brooks Development Authority (BDA). The Hispanic Chamber recently received its four-star accreditation from the U.S. Chamber of Commerce, and we understand the importance of such a distinguished professional designation in terms of both organizational excellence and in attracting private investment!"

— RAMIRO A. CAVAZOS,
PRESIDENT & CEO, SAN ANTONIO HISPANIC CHAMBER OF COMMERCE, SAN ANTONIO, TX

Getting Started — Take the Next Step
Download the Guide to Becoming an AEDO at

www.iedconline.org



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*The Power of
Knowledge and Leadership*

About IEDC

The International Economic Development Council (IEDC) is the premier membership organization dedicated to helping economic development professionals create high-quality jobs, develop vibrant communities, and improve the quality of life in their regions. Serving more than 4,500 members, IEDC represents the largest network of economic development professionals in the world. IEDC provides a diverse range of services, including conferences, certification, professional development, publications, research, advisory services, and legislative tracking.

International Economic Development Council
734 15th Street NW, Suite 900
Washington, DC 20005
(202) 223-7800



INTERNATIONAL
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Guide to Becoming an Accredited Economic Development Organization



“Recognizing organizational excellence in economic development.”

International Economic Development Council

734 15th Street, NW, Suite 900

Washington, DC 20005

Tel: (202) 223-7800 - Fax: (202) 223-4745

Web site: www.iedconline.org

UPDATED February 2013

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INTRODUCTION

Volunteer commitment and peer networking are two hallmarks of the role of the International Economic Development Council (IEDC) in furthering the professional development of its members. These two factors have been combined to create the Accredited Economic Development Organization (AEDO) program, an exciting means of recognizing the professional excellence of economic development entities throughout North America.

The role of a site visit is crucial to the success of this program. Only through objective review and analysis of the applicant economic development organization's operations can meaningful and constructive recommendations for improvement be made. The accreditation visits help to communicate time-tested standards and professional methods to candidate organizations. The leadership and guidance provided through the AEDO program will help candidate organizations forge new directions and sharpen their competitive edge.

The nature of the AEDO program requires that all communications regarding the identity of candidate organizations remain confidential unless, or until, accreditation is achieved. All information divulged as part of the accreditation process is likewise considered to be confidential and may not be disclosed to sources external to the AEDO program.

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PROGRAM SUMMARY

The primary goals of the Accredited Economic Development Organization program are:

- To assist economic development organizations with independent and authoritative feedback on their operation, structure, and procedures as a means of improving programs and enhancing business and community support;
- To recognize excellence in local economic development organizations and to heighten the visibility of the economic development process in the community; and,
- To recognize the vital contribution made by the organization's leader/manager to the economic development process.

The Accredited Economic Development Organization evaluation process consists of two stages:

1. Documentation Review; and,
2. Site Visit.

Each is designed to elicit specific and verifiable information about the structure, organization, funding, programs, and staff of the candidate economic development organization. The documentation review serves as a screening stage for the program, whereby fledgling organizations can be informed that they have not yet reached the threshold for potentially successful completion of the accreditation review.

On completion of the Documentation Review and Site Visit, the results of both stages are considered to determine whether AEDO accreditation has been earned. Candidate organizations do not "pass" or "fail" this process. Every candidate organization that fails to receive accreditation will be advised of the necessary steps to be implemented to attain accreditation. Each organization will receive information and guidance on the areas of the accreditation process that require further development.

Application, accreditation, and reaccreditation fees are based on the budget of the candidate organization. All travel and lodging expenses of the Site Visit Team are reimbursed by the candidate organization. The entire application fee must be remitted prior to the site visit.

Given the nature of the information disclosed, and the sometimes sensitive workings of applicant economic development organizations, all documentation and proceedings relating to the AEDO accreditation process will remain confidential. Information on candidate organizations, irrespective of whether they obtain AEDO status, will not be disclosed to third parties.

PROGRAM OUTLINE

I. Goals and Objectives

- a) To assist economic development organizations with independent and authoritative feedback on operations, structure, and procedures as a means of improving programs and enhancing business and community support.
- b) To recognize excellence in economic development organizations
- c) To heighten the visibility of the economic development process in the community
- d) To recognize the contribution of an organization's leader/manager to the economic development process

II. Program Components

Application

- a) Each applicant organization must have a full-time economic development professional in a leadership or senior staff role.
- b) Each applicant organization must submit information regarding its structure, organization, funding, program, and staff to determine eligibility for participation (see Documentation Review Section). All such information will be considered confidential and will be reviewed only by appropriate members of the AEDO Committee and IEDC staff.
- c) Each applicant organization must pay a nonrefundable application fee (see Fee Schedule).
- d) IEDC staff will review applications for completeness and the AEDO Committee Chair/Co-Chairs will determine if the applicant is eligible for participation.
- e) Applications will be accepted or rejected within sixty days of receipt and a site visit will be scheduled on acceptance of the application documentation.

Determination of Eligibility

Applicant organizations must be devoted, as stated in their bylaws or articles of incorporation, to economic development.

Accreditation Review

- a) The Chair of the AEDO Committee will establish the Site Visit Team. One of the two selected team members will be appointed as the Site Visit Team leader. The Site Visit Team leader will review potential conflicts of interest and ensure transparency and probity with the selection of the team and the site visit. Applicant organizations should communicate any perceived conflict of interest.
- b) Documentation submitted in support of an organization's application will be examined and a critical evaluation will be undertaken.
- c) A Site Visit Team will perform a review of the applicant organization and issue a critical evaluation, using the list of criteria (see Site Visit Criteria section). Visits will be scheduled within sixty days of completion of the Documentation Review. A written draft report of the team's findings should be completed while onsite on the second day of the visit.
- d) The Site Visit Team will submit its findings and make a recommendation to the AEDO Committee.
- e) The AEDO Committee will consider the findings and vote on whether to approve accreditation.
- f) The AEDO Committee will inform the applicant organization of its decision and will provide a detailed organizational critique.
- g) Site Visit Team members will not be permitted to seek, or take up employment, either on a consultant, part-time, or full-time basis, with an applicant organization for a period of one-year following the accreditation visit.

Accreditation and Reaccreditation

- a) The initial accreditation period will be for three years, after which the accredited organization may seek reaccreditation. Reaccreditation will be for a period of three years, as

will successive periods of reaccreditation.

- b) **Please note that effective September 1, 2011 every AEDO organization's second reaccreditation application (e.g. the organization's sixth year as an AEDO organization) will automatically require a site visit regardless of whether or not there have been changes to mission, leadership, budget, or organizational structure.** This will allow for more accurate assessment of the organization's operations on a regular basis, provide more detailed feedback and guidance to AEDOs, and increase the credibility of the accreditation program in general. Site visits may be required more frequently than every six years if there are major changes to mission, organizational structure, leadership, or budget. Please plan accordingly when formulating future reaccreditation budgets.
- c) IEDC will recognize accredited and reaccredited organizations by issuing a plaque and press release, conducting a presentation ceremony when able, and by any other means as agreed to by IEDC and the accredited organization.

III. Structure

- a) The AEDO Committee reports to the Performance Oversight and Monitoring (POM) Committee.
- b) The AEDO Committee will appoint new Chairs or Co-Chairs of the committee. The current Chair or Co-Chairs of the AEDO Committee will nominate individuals to the committee.
- c) The Chair or Co-Chairs of the AEDO Committee will nominate and appoint individuals to the AEDO Committee. The AEDO Committee will consist of the Chair or Co-Chairs, the Vice Chair, and the members as appointed.
- d) The Chair or Co-Chairs, Vice Chair, and members of the AEDO Committee will be members of IEDC and must be Certified Economic Developers (CEcDs) or have at least 10 years of professional experience as an economic development practitioner.
- e) The Chair or Co-chair, Vice Chair, and members of the AEDO Committee will serve for terms of two years.

IV. Program Costs

Fees

- a) Fees will reflect a sliding scale based on the size of applicant organization's budget (see Fee Schedule section).
- b) Invoicing and other fiscal procedures will conform to IEDC accounting practices.
- c) The Site Visit Team's hotel, meals, and transportation expenses will be paid by the applicant organization.

DOCUMENTATION REVIEW

As part of the accreditation process, documentation relevant to the mission, goals, and activities of the applicant organization will be reviewed. Three (3) binders should be assembled and forwarded to IEDC in the order outlined below. Please do not leave any sections blank. If certain information is not applicable, please be sure to provide an explanation. Each application should include a Letter of Intent that describes the organization's location and the community serves.

- 1) Mission and goals statement;
- 2) Articles of incorporation and bylaws;
- 3) Last audited financial statement, compilation, review or equivalent financial disclosure;
- 4) Last annual report;
- 5) Minutes of last four Board of Directors meetings;
- 6) Roster and position descriptions of officers;
- 7) Organizational chart and job descriptions of employees;
- 8) Marketing plan (see specific Marketing Plan Criteria on p.12);
- 9) Strategic plan (see specific Strategic Plan Criteria on p.12);
- 10) Copies of all marketing materials currently in use;
- 11) Annual budget;
- 12) IRS Letter of Exemption;
- 13) Most recent IRS Form 990;
- 14) Staff Policy and Procedures Manual;
- 15) Commitment of Support (see specific Commitment of Support Criteria on p. 12)
- 16) Copies of organizational newsletters for the preceding year;
- 17) Copies of press releases issued within the past year;
- 18) One page review of between three and five of your most successful development projects over the past two years; and
- 19) Resumes for executive staff.

IEDC staff will review all information when submitted, will request clarification or expansion if needed, and will forward information to the AEDO Committee in both summary and original form.

DOCUMENTATION REVIEW FOR UTILITY ECONOMIC DEVELOPMENT ORGANIZATIONS

As part of the accreditation process, documentation relevant to the mission, goals, and activities of the applicant organization will be reviewed. Three (3) binders should be assembled and forwarded to IEDC in the order outlined below. Please do not leave any sections blank. If certain information is not applicable, please be sure to provide an explanation.

1. Mission and goals statement
2. Internally or externally audited financial statement
3. Last economic development annual report (internal or external)
4. Organizational chart and job descriptions for economic development department. Where does economic development fit into the utility chain of command?
5. Marketing plan (see specific Marketing Plan Criteria on p.12)
6. Strategic plan (see specific Strategic Plan Criteria on p.12)
7. Copies of all marketing materials currently in use
8. Contact list of key economic development partners
9. Annual economic development budget
10. Copies of press releases issued within the past year
11. One page review of between three and five of your most successful development projects over the past two years.
12. Clearly defined asset management goals. Identified regions that can be most easily served
13. Clearly articulated description of what is needed from ED partners to effectively respond to service inquiries.
14. Line extension requirements and incentives
15. ED Partnership Program manual (description of programs with information on how to apply and the requirements for approval.

Select one from the following

- Communication Plan

- Economic Development Policy and Procedures Manual
- Letters of support for the economic development program from within the utility and from partners.

IEDC staff will review all information when submitted, will request clarification or expansion if needed, and will forward information to the AEDO Committee in both summary and original form.

Commitment of Support Criteria

Commitment of Support documentation shall provide evidence of multiyear commitment to the organization from funders, cosponsors, and partner agencies. Also required is a listing of the organization's committed funding sources.

- Nonprofit or public-private organizations are required to provide at least one letter of commitment from **each** type of funding sector.
- Governmental organizations funded solely through governmental appropriations are required to provide a letter of commitment from the chief elected official.

AEDO Economic Development Organization Strategic Plan Criteria¹

An economic development organization strategic plan includes the following:

- Mission Statement;
- Achievable goals and objectives;
- A realistic appraisal of available resources, constraints, and opportunities; and,
- Project action plans to reach goals, including the identification of responsibility, timelines, and project or program prioritization.

AEDO Marketing Plan Criteria²

- Goals should be specific enough to lead to logical objectives.
- Objectives are the specific targets to be achieved in realizing the goal.
- Marketing strategies should describe how to achieve the goals and objectives identified. The strategy asks the questions what programs, procedures, and activities will enable us to reach our marketing goals. Both short-term and long-term strategies should be developed.
- Monitoring of established goals, objectives, and strategies should be an ongoing process.

¹ Based on the IEDC Professional Development Manual, *Economic Development Strategic Planning*. January, 2006

² Based on the IEDC Professional Development Manual, *Introduction to Economic Development*. January, 2006

CRITICAL ISSUES FOR ACCREDITATION

The following four “critical issues” must be addressed in both the documentation and Site Visit Team reviews.

1. Does the organization have professional leadership and staffing adequate to its mission? This means that people qualified to do the work are in place and have defined roles that they understand, and that these people work together as a team. Individual certifications may be in place but they are not the primary issue with regard to this question.
2. Does the organization have the budget and resources adequate to its job? Most professionals will detect when an organization is “over its head” with too much to do and without adequate budget or staff. Offices and equipment need not be fancy or highly technical, but they must be adequate to the job.
3. Does the organization have the respect and support of a community base with active commitment and participation appropriate to its mission? This means that there is stakeholder support from business community, political leadership, neighborhood, or other groups that are essential to the mission.
4. Does the organization have a strategic plan that it follows, allocating resources based on its mission and the opportunities that it has identified? The plan must be adequate and fit the organization and its mission.

SITE VISIT CRITERIA

The Site Visit Team will review and evaluate conditions at the offices of the applicant organization with respect to the following matters:

I. Internal Environment

A. Office

1. Professional appearance
2. Privacy for conferences
3. Computer, network, and phone resources
4. Security
 - a. Personnel
 - b. Records

B. Chief Executive Officer / Manager

1. Professional experience
2. Professional credentials
3. Commitment and compensation
4. Continuing professional development

C. Staff

1. Professional experience
2. Professional credentials
3. Compensation
4. Division of duties and responsibilities
5. Current job descriptions
6. Continuing professional development
7. Turnover

II. Leadership

A. Volunteers

1. Orientation
2. Regular meetings
3. Structure of volunteer leadership

B. Direction and Vision

1. Goal-setting process (e.g., strategic plan)
2. Budgeting process
3. Commitment over time to strategic plan
4. Linkage between strategic plan and ongoing operations

III. External Environment

- A. Liaison with public officials
- B. Marketing to outside agencies
- C. Relations with news media, community, other organizations

IV. Financial Resources

- A. Budget
- B. Sources of income

AEDO FEE SCHEDULE

Organizational Budget	Application Fee	Accreditation Fee* Member (Non-member)	Re-accreditation Fee* Member (Non-member)
Under \$150,000	\$275	\$1100 (\$1440)	\$700 (\$1080)
\$150,000 – \$299,999	\$275	\$1210 (\$1560)	\$800 (\$1200)
\$300,000 – \$499,999	\$275	\$1430 (\$1920)	\$900 (\$1440)
\$500,000 – \$749,000	\$275	\$1725 (\$2600)	\$1100 (\$1680)
\$750,000 – \$999,999	\$275	\$2070 (\$3100)	\$1200 (\$1800)
\$1 mil – \$1, 999,999 mil	\$275	\$2415 (\$3630)	\$1400 (\$2160)
\$2 mil – \$2, 999,999 mil	\$275	\$4600 (\$6900)	\$3000 (\$4200)
\$3 mil – \$3, 999,999 mil	\$275	\$5750 (\$8630)	\$3500 (\$4800)
\$4 mil – \$4,999,999 mil	\$275	\$6325 (\$9500)	\$4000 (\$5400)
Above \$5 million	\$275	\$6900 (\$10,350)	\$4500 (\$6000)

State Agency			
Small (Population: up to 3,000,000)	\$300	\$7,000 (10,500)	\$4550 (\$6050)
Medium (Population: 3, 000,001 to 10,000,000)	\$300	\$9,000 (13,500)	\$5850 (\$7800)
Large (Population: 10, 000,001 and over)	\$300	\$11,000 (16,500)	\$7,300 (\$9500)

***Fee based on 3-Year Period**

BASIC CRITERIA FOR PROCESSING APPLICATION

IEDC staff will use the following criteria to process the initial application for accreditation status.

- a) Does the applicant organization employ a full-time economic development professional?
- b) Does the applicant organization devote at least 50% of its time to economic development activities?
- c) Is the applicant organization a local or regional economic development organization (vs. state, federal, railroad, utility, consultant practice, etc.)?
- d) Does the applicant organization have an IEDC member on staff (for purposes of computing the appropriate fee)?
- e) What is the organization's annual operating budget and/or departmental budget for economic development?

If these basic criteria are met, the economic development organization will be invited to apply for accreditation. If doubt exists as to the eligibility of the organization for participation in the AEDO Program, the Chair of the AEDO Committee will be asked to review the information supplied and to make a determination.

GUIDELINES FOR SITE VISIT

Site visits are a key element in the success of the AEDO program and provide important feedback as to whether the organization merits AEDO status.

The goals of the site visit are to:

- a) Examine the candidate economic development organization's operations;
- b) Evaluate the operations by means of the site visit criteria; and
- c) File a written report on the findings of the site team visit.

The Site Visit Team comprises two or three volunteers. Team members must be Certified Economic Developers (CEcDs) and/or have at least ten years experience in the economic development profession. Site Visit Team members will be drawn from a pool of volunteers that represent regional diversity as well as a mix of experience in small, medium, and large economic development organizations. The President and CEO of IEDC, along with staff involved with the AEDO Program, are encouraged to undertake a site visit in order to understand and familiarize themselves with the process.

Site Visit Team members will be asked to commit to no more than two visits per twelve month period, totaling six days (including travel time). All travel, meals, and accommodation costs will be reimbursed by the applicant organization.

Prior to being assigned to an AEDO application, all Site Visit Team members will receive an orientation on the rules and requirements of the AEDO program.

SITE VISIT EXAMPLE FORMAT

Site Visit Team members should arrive in the applicant community on the night prior to start of the site visit. Team members coming from nearby areas can arrive the day of the site visit but should abide by the following sample site visit agenda/schedule.

Day One

- | | |
|------------|--|
| 9:00 am | Team Welcome Breakfast Meeting with Host Organization |
| 10:00 am | Review Itinerary (at host organization's office) |
| 10: 30 am | Evaluations of Host Organization |
| | <ol style="list-style-type: none">1. Office, equipment, facilities, etc.2. Interview staff3. Review internal operations;4. Community tour |
| 12:00 noon | Lunch with Community Stakeholder (to be determined by host organization) |
| 1:30 pm | More Community Stakeholder Interviews (public/private) |
| 5:00 pm | Break (team meeting if necessary) |
| 6:00 p.m. | Dinner Meeting (informal with host organization's leadership) |

Day Two

- | | |
|------------|--|
| 8:00 a.m. | Breakfast Meeting with Community Leaders |
| 10:00 a.m. | More Community Stakeholder Interviews |
| 12:00 noon | Team Debriefing Luncheon with Host Organization Leadership |
| 1:30 p.m. | Draft Preliminary Report |
| 3:00 p.m. | Departure |

COMMUNITY STAKEHOLDER INTERVIEWS

An important facet of the site visit is for the Site Visit Team to meet with prominent community leaders who are stakeholders in the local economic development process. To achieve this, nine categories of community leaders have been identified. Each candidate organization is asked to select four categories for the visiting team to meet with, each for no more than one hour.

Categories include:

1. Chief operating officer of a recently-located or recently assisted business;
2. Typical development ally;
3. Industrial/commercial real estate professional;
4. Representative of local/regional financial institution;
5. Key elected official;
6. Head of local planning agency;
7. Representative of state agency;
8. Representative of local/regional utility; and,
9. Open category (any individual not included in any of the above).

SITE VISIT EVALUATION FORM

I. INTERNAL ENVIRONMENT:

A. Office Resources

- a) Appropriate offices for economic development organization;
- b) Functional, well maintained, orderly and accessible;
- c) Privacy for conferences.

Comments:

B. Computer Resources (Describe: CPU, Hard-Disk, Monitor, Number and Type)

- a) Adequate hardware (terminal, printers, scanner, handheld smart phones when appropriate)
- b) Adequate software (database, membership, word processing, virus protection, communication, spreadsheet, contact management, graphics, real estate availability)
- c) 24/7 secure remote internet and phone access whenever, wherever needed
- d) Local area network (LAN), Sufficient broadband capacity
- e) Reliable Email and Internet access
- f) Web site, Web support, Social networks
- g) E-mail, color copiers, LED projector

Comments:

D. Chief Executive Officer

a) Professional experience

- i. Prior economic development experience*

Comments:

b) Professional credentials

- i. CEcD*
- ii. Other*

Comments

c) Commitment and range of compensation

- i. Contract/letter of agreement*
- ii. Comparability of salary/perks*

Comments:

d) Continuing professional development

- i. IEDC membership*
- ii. Regional/state economic development organization membership*
- iii. Resources to attend seminars, courses*
- iv. EDC graduate*
- v. EDI graduate*
- vi. Other*

Comments:

E. Management and Support Staff

a) Professional experience

- i. Prior economic development experience*

Comments:

b) Professional credentials

- i. CEcD*
- ii. Other*

Comments:

c) Compensation

- i. *Comparability*
- ii. *Personnel policies*

Comments:

d) Division of duties and responsibilities

- i. *Current job descriptions*
- ii. *Clear reporting relationships*

Comments:

e) Continuing professional development

- i. *IEDC membership*
- ii. *Regional/state economic development organization membership*
- iii. *Resources to attend seminars, courses*
- iv. *EDC graduates*
- v. *EDI graduate*
- vi. *Other*

Comments:

f) Turnover history

i. For past three years

ii. Has staff focus or emphasis changed as a result of staffing changes? Please describe.

Comments:

II. LEADERSHIP:

A. Volunteers

a) Orientation

i. Formal session

ii. Orientation materials

iii. Word of mouth

Comments:

b) Regular meetings

i. Agenda and minute

ii. Ongoing schedule

Comments:

c) Structure of volunteer leadership

- i. *Continuity*
- ii. *Clear delegation of duties*
- iii. *Appointed/elected board*
- iv. *Appointed/elected officers*
- v. *Term limits*
- vi. *Leadership development*
- vii. *Community representation (gender, age, race, orientation, etc.)*

Comments:

B. Direction and Vision:

a) Goal-setting process

- i. *Existence of strategic plan*
- ii. *Date of last update*
- iii. *How implemented*
- iv. *Involvement of leadership/volunteers in process*
- v. *Evaluation of outcomes (measurement metrics, tracking system, review schedule)*

Comments:

b) Budget process

- i. One year or multi-year*
- ii. Reflects strategic plan/goals and objectives*
- iii. Reflects leadership input*
- iv. Presentation of budget*

Comments:

c) Commitment to strategic plan

- i. Year-to-year continuity*
- ii. Periodic updates*
- iii. Evaluation of results/method of measurement*

Comments:

d) Linkage between strategic plan and program of work

- i. Periodic review*
- ii. Review versus budget*
- iii. Comparison with staff distribution and priorities*

Comments:

III. EXTERNAL ENVIRONMENT:

A. Liaison with Public Officials

- i. Methods of communication with public officials*
- ii. Representation by public officials on board of directors*
- iii. Utilization of public officials, key leaders, and resource providers in prospect tours, etc.*

Comments:

B. Marketing

- i. Timely marketing plan*
- ii. Identify target audiences*
- iii. Adequate resources committed*
- iv. Marketing mix*
- v. Marketing goals tied into overall strategic plan*
- vi. Measures of success*
- vii. Examples*

Comments:

C. Relations with Community Opinion Leaders

- i. Means of communication*
- ii. Liaison/access when appropriate*
- iii. Participation in decision-making*

Comments:

D. Prospect Handling

- i. Identification of prospects*
- ii. Qualification of prospects*
- iii. Identification of customer communities*
- iv. Confidentiality issues*
- v. Follow-up procedures and custom tracking process*
- vi. "Closing" process*

Comments:

IV. FINANCIAL RESOURCES

A. Budget

- i. Linkage with strategic plan*
- ii. Involves volunteer leaders*

- iii. *Re-evaluated as fiscal year progresses*
- iv. *Includes appropriate fiscal controls*

Comments:

B. Organizational Budget

- i. *Keep pace with growth of organization*
- ii. *Numbers and type of sources*
- iii. *Annual or other commitments*
- iv. *Fund-raising programs*

Comments:

V. SPECIAL ISSUES

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>November 11, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<p style="text-align: center;"><u>Appropriation</u></p> Source of Funds: Account Number: Amount Budgeted: Amount Requested: Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO
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Exhibits:

- 1. Request for Professional Services**
- 2. Analysis of Initial Bids**
- 3. La Porte's ED Strategic Plan, May 2009**
- 4. La Porte's ED Strategic Plan, PowerPoint Presentation**

SUMMARY & RECOMMENDATIONS

An Economic Development Strategic Plan is an important cornerstone of any professional economic development organization, and it is a necessary tool to acquire certification as an Accredited Economic Development Organization (AEDO).

Staff recommends pursuing the following steps to formulate and implement a new ED Strategic Plan:

1. Community Visioning -- Seek input from the ED Board, other city boards and commissions, City Council, business community, and citizens regarding desired projects.
2. Identify the community's strengths, weaknesses, opportunities, and threats,
3. Community Assessment (i.e. Where are we now? What resources do we have to accomplish our vision? What do we need to accomplish our vision?)
4. **Formulate Realistic Goals, Objectives, and Strategies to Accomplish Our Vision**
5. **Identify and Prioritize Projects to Accomplish Our Vision**
6. **Report Project Plans to Accomplish Our Vision to the Public and Request Feedback**
7. **Develop Plans of Action with Performance-Based Metrics to Accomplish Our Vision**
8. **Implement the Plans of Action to Accomplish Our Vision**
9. **Monitor and Evaluate the Plans of Action against the Performance Metrics**
10. **Annually Re-tool and Adjust the ED Strategic Plan**
11. **Annually Report Accomplishments to the Public**

Steps in bold above identify those for which the Board may wish to consider soliciting the professional assistance of an ED Consultant to work with ED Staff.

Staff's objective from the beginning of this discussion to formulate an ED Strategic Plan was to create one that was cost-effective, lean (i.e. not having a lot of fluff), mean (i.e. having a lot of substance), realistic (i.e. based upon available resources and existing constraints), able to implemented, able to be monitored on an annual basis.

In preparation for the budget for FY 2015-2016, staff assumed that existing reports and plans, most notably the

City of La Porte's 2009 ED Strategic Plan (enclosed), 2030 Comprehensive Plan, 2009 Buxton Report, and 2013 Catalyst Retail Study, plus new discussions with the Board, City Council, community stakeholders, and citizens in regularly scheduled public meetings, could be used to address items #1-3. Therefore, staff drafted an Initial Scope of Services (enclosed) that included only items #4 and 5 on the previous page, and used it to survey ten ED consultants in Texas that have experience in creating ED Strategic Plans. The results of that survey (see Analysis of Initial Bids) are also enclosed. For the initial scope of services, three of the consultants initially bid less than \$40,000, while two consultants bid less than \$25,000. Based upon initial feedback from the consultants during the initial survey, staff requested that the Board allocate \$20,000 during this fiscal year to formulate an ED Strategic Plan.

Based upon additional, more recent conversations with ED consultants, ED partners in the Greater Houston Area, and John Cook, who is a member of the local AEDO Certification Committee for the Greater Houston Area, the Board may wish to consider slightly broadening the scope of professional services to hire outside, professional expertise for items #1, 2, and 3 on the previous page, which may impact the proposed cost of the Strategic Plan. Since the City Council approved the expenditure of \$20,000 for an ED Strategic plan (as included in the FY16 Budget), any expenditure over this sum will require additional City Council approval.

According to the City's Purchasing Department, staff has already complied with all the bidding requirements to select a consultant to assist in formulating the ED Strategic Plan. Therefore, based upon the wishes of the Board, staff will revise the proposed Request for Proposal. Once the Board has approved the proposed Request for Proposal, staff will work with the Purchasing Department to publicize the request for professional services. In order to review the various proposals submitted by the ED consultants, the Board may wish to create a Selection Committee, which would be comprised of both insiders and a few outside ED experts, to review the proposals and submit recommendations to the Board for consideration. The Board will have an opportunity to review all the proposals submitted by the ED consultants, consider the recommendations of the Selection Committee, negotiate with one or more ED consultants, and then select an ED consultant to assist us with formulating an ED Strategic Plan.

Action Required by the La Porte Development Corporation:

Discussion and possible action to approve a Request for Professional Services to formulate an Economic Development Strategic Plan.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

**Request for Proposal:
Economic Development Five-Year Strategic Plan**

This is included to provide the Board with a general idea as to the Scope of Services that will be included in the overall RFP packet, as prepared by the Purchasing Department. The final packet will include all other required documents, such as Conflict of Interest Questionnaire, insurance requirements, directions/timeline for submittals, etc.

The Board of the La Porte Development Corporation desires to hire professional expertise to assist it in formulating a five year Economic Development Strategic Plan for the City of La Porte.

Primary Services

The chosen ED consultant will have experience in, and perform, each of the following task as describe below. Please note the amount of time to be expended on each particular task is shown as a percentage of the total project:

- Consult and work with ED Staff at each step in the strategic planning process
- Structure and guide the ED Strategic Planning Process
- Create a basic Community Assessment (20%)
(Cost Saving Option: Outline the info needed for ED Staff to create a basic Community Assessment, plus use info from the 2009 ED Strategic Plan and other available reports)
- Conduct Community Visioning (20%)
(Cost Saving Option: Outline the process and questions, and direct staff to execute, plus use info from the 2009 ED Strategic Plan and other available reports)
- Guide the Community thru SWOT Identification (20%)
(Cost Saving Option: Outline the process and questions, and direct staff to execute, plus use info from the 2009 ED Strategic Plan and other available reports)
- Guide the ED Board and staff to formulate realistic goals, objectives, and strategies (20%)
- Formulate a 5 Year Implementation Plan (20%)
 - Guide the ED Board and staff to identify and prioritize projects
 - Guide the ED Board and staff to develop plans of action
 - Guide the ED Board and staff to develop measurable metrics in support of the outlined plans of action

Methodology

Please briefly describe your experience and methodology in executing each of the tasks outlined under “Primary Services”.

Samples

Please provide copies or samples of each tasks, as outlined under “Primary Services”, which you have completed for other communities and/or economic development organizations.

Budget

Does the Board want to include a budget in this request, or leave it open-ended?

Notes

- The consultant will not be asked to identify industries that the City of La Porte can or should attract.
- The ED Consultant will be encouraged to use readily available data and information from the following reports and plans:
 - City of La Porte's Current Future Land Use Plan, Dec. 2014
 - City of La Porte's Current Zoning Map, Jan. 2013
 - Catalyst Commercial Retail Study, 2013
 - **City of La Porte's Comprehensive Plan, Updated 2012**
 - **La Porte's Economic Development Strategic Plan, May 2009**
 - Buxton Retail Study, June 2009

Analysis of Initial Bids

Earlier this year, in preparation for the new budget, staff contacted ten economic development consultants in Texas that are known for offering services in strategic planning. Of the ten consultants surveyed, eight of them offered initial quotes for services. These estimates were used to formulate a reasonable amount for inclusion in the Fiscal Year 2016 budget. It is not a formal request for proposal.

ED Consultants Less than \$40,000

Alysia A. Cook, Opportunity Strategies, LLC	\$15,000 - \$18,000
Greg Last, EDT Best Practices, LLC	\$20,000 or Less
Mike Barnes, Mike Barnes Group, Inc.	\$25,000 or Less
Kent Dussair, Community Development Strategies, Inc. (Note: Partners w/Avalanche Consulting)	\$30,000 - \$40,000
Amy Holloway, Avalanche Consulting (Note: Partners w/Community Development Strategies)	\$30,000 - \$40,000

ED Consultants Greater than \$40,000

Sue Darcy, Marsh Darcy Partners, Inc.	\$50,000 - \$60,000
Angelos Angelou, Angelou Economics	\$50,000 - \$70,000
Patti Knudson, Knudson LP	\$80,000 - \$100,000

Consultants Not Being Considered

Ron Cox, Ron Cox Consulting	Did not reply, but may still be included
Tom Stellman, TIP Strategies	Did not reply, but may still be included



Chapter 1: Economic Assessment

**ECONOMIC DEVELOPMENT STRATEGIC PLAN
CITY OF LA PORTE, TEXAS**

January 2009



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Austin, Texas 78703
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Summary of Economic Trends & Key Findings

La Porte has grown steadily over the past two decades by weathering statewide economic downturns in natural resource industries, the high-tech sector collapse, and real estate bubbles. The city's strong manufacturing base, proximity to the Port of Houston, and short-commute to Houston's central business district have helped buffer these downturns. The high percent of residents who work throughout greater Houston and bring wages back to La Porte also mitigate the effects of local employment forces. The current economic recession, however, will have negative consequences for La Porte. Reduced international trade and plummeting oil prices will influence local business decisions. TXP believes a number of key factors will help shape the area's economic landscape and future economic development strategies:

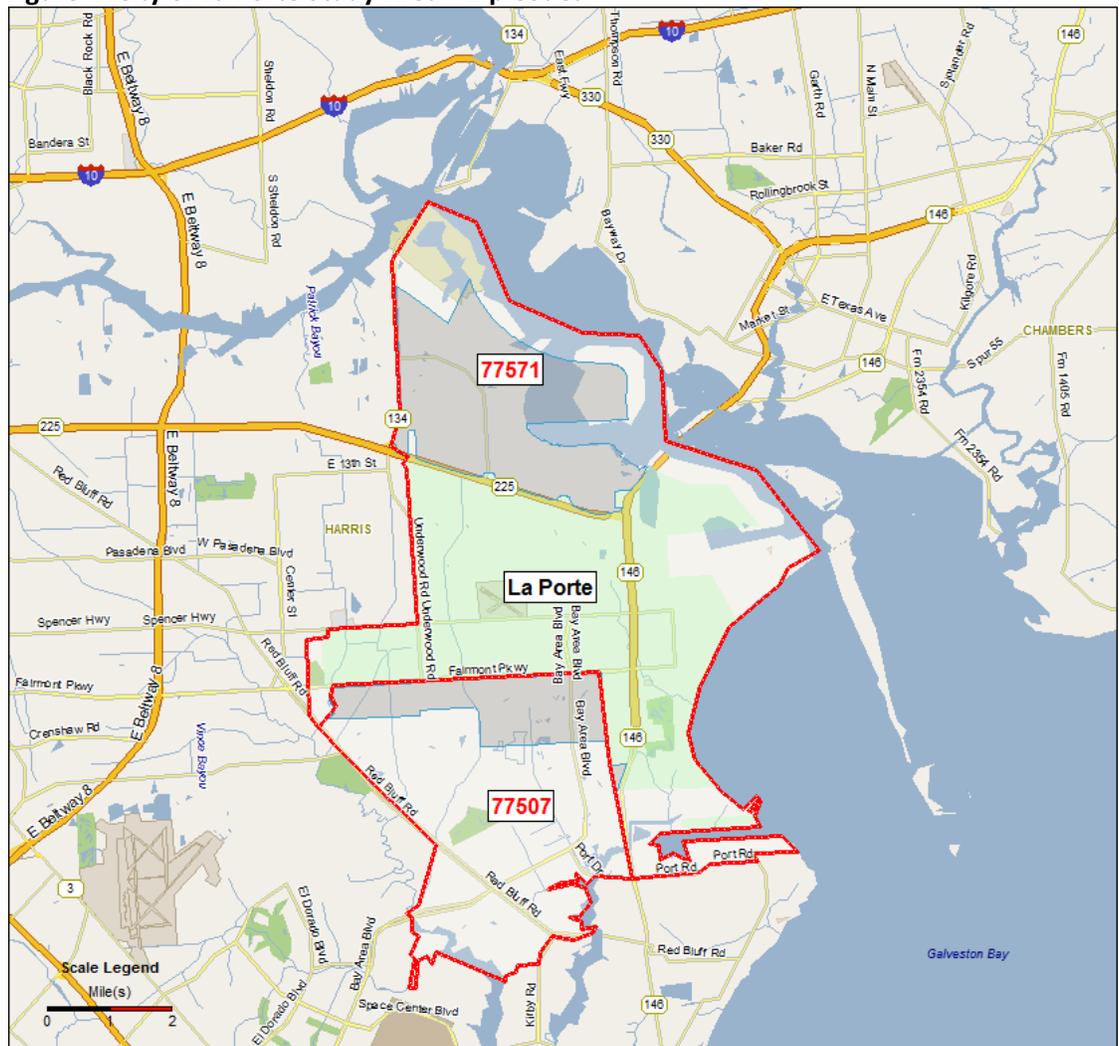
- *Over the next five years, La Porte-based employment will struggle to grow as local firms adjust to the national recession.* La Porte's industrial base is heavily dependent on the sectors hit hard during this economic downturn: oil refineries, petrochemical manufacturers, and the construction business.
- *Despite recent fluctuations, the oil and gas sector will remain the dominant force in the La Porte economy.* This sector is responsible for 30 to 40 percent of total La Porte businesses output. For a number of reasons including existing capital investment, difficulty in relocating operations, and long-term consumer demand, the majority of these firms will rebound once the national economy starts to grow.
- *La Porte's proximity to the Port of Houston and transportation infrastructure will cause future growth in the warehousing sector.* The successful build out of the Port Crossing Commerce Center over the next 10 years will be a major driver of the local economy. This property alone could support 4 million square feet of building space when fully developed. Increased traffic congestion might create issues, but this sector's growth will help diversify the local economy.
- *Limited retail trade opportunities result in sales tax leakages to surrounding communities.* La Porte is severely underserved when it comes to retail opportunities. City leaders and community stakeholders are working hard to address this issue. La Porte's limited retail sector also means its general fund will not decline as much as communities dependent on household spending for tax revenue. This provides the city time to refine its recruitment strategy while retailers modify business plans to adjust to the slowing economy.

- 
- *Economic diversification requires attracting businesses that can take advantage of La Porte's diverse labor force.* La Porte residents comprise only 11.7 percent of total local employment, with the balance of workers commuting from surrounding cities. Given the heavy concentration of manufacturing and construction firms in La Porte, it is important to diversify the city's employment base to limit the effects of a downturn in these two sectors. Therefore, future economic development recruitment strategies should link the skills set of current La Porte residents with industry targets.
 - *Quality of place should be the cornerstone of La Porte long-term economic development efforts.* La Porte has a robust economy with local businesses employing more workers than local residents in the labor force. Limited land available for development hinders major projects looking for a greenfield site. La Porte's most underutilized resources are its downtown, historic beach, and waterfront. The lack of a master plan or overarching strategy to unite these elements is an issue. Enhancing Sylvan Beach, redeveloping downtown, and improving Main Street serves not only to encourage economic growth, but these initiatives directly improve the quality of life for city residents.

City of La Porte Study Area

La Porte’s two industrial zones (Battleground Industrial District and Bayport Industrial District) are not within its city limits. As a result, datasets specific to the city limits of La Porte undercount local business activity. Because firms located in the industrial districts paid over \$10.0 million “in lieu of taxes” in 2008 and employ thousands of workers, any analysis of La Porte should include these areas. To address this issue, TXP defined the La Porte “Study Area” based on two zip codes: 77571 and 77507 (outlined in red in Figure 1). While not a perfect fit for La Porte and the industrial zones, the Study Area boundaries provide an appropriate representation of the city’s business profile. Unless denoted as the Study Area, the information presented is limited to La Porte’s city limits (ex. population estimates) highlighted in green in Figure 1.

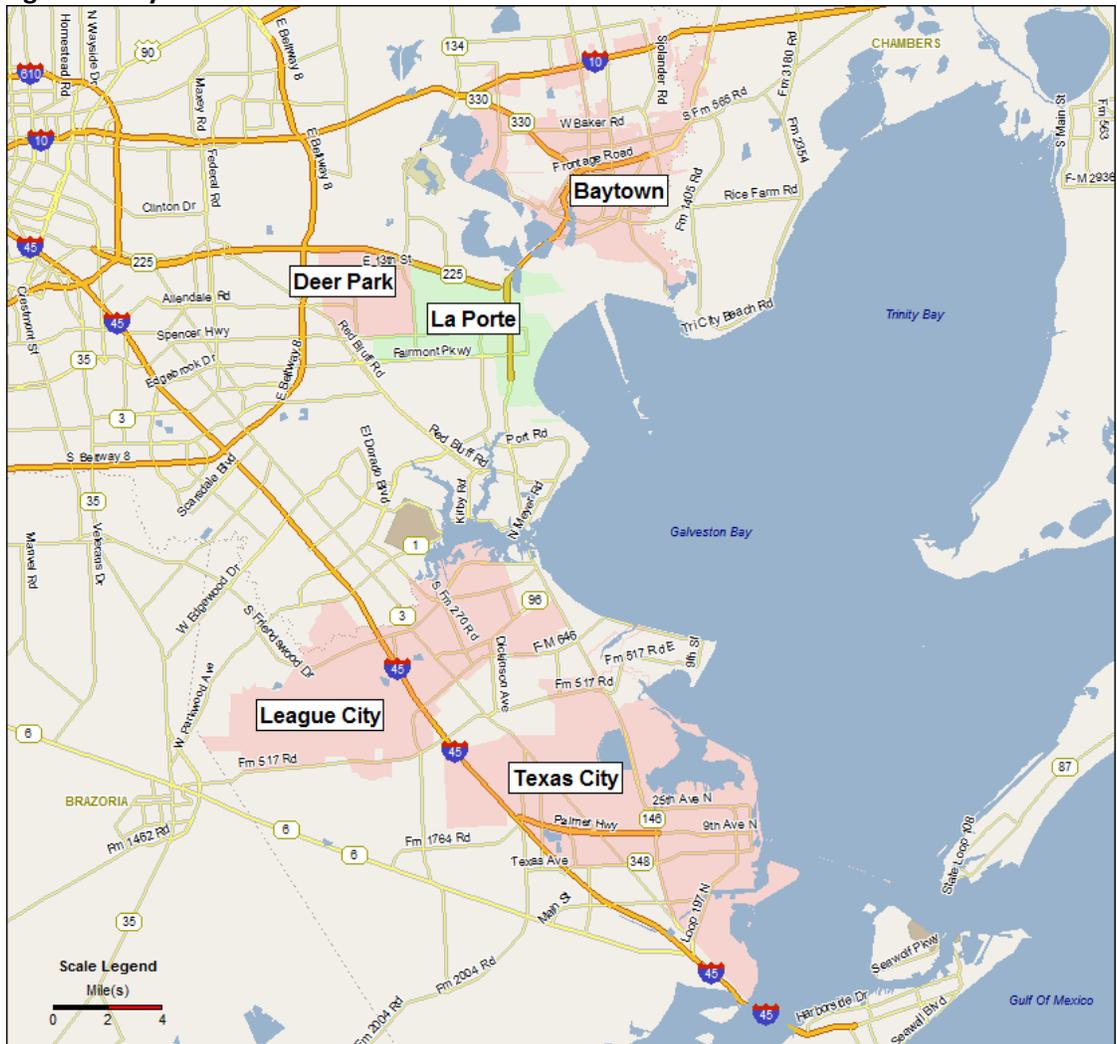
Figure 1: City of La Porte Study Area – Zip Codes



TXP selected a number of La Porte regional peer communities based on employment and population size, geographic location, industrial mix, and resident commuting patterns. The long-term damage caused by Hurricane Ike created challenges in the selection. The City of Galveston, for example, would have been an appropriate peer community for assessing La Porte’s tourism sector, but the massive storm damage has dramatically altered Galveston’s future. Because La Porte is landlocked and surrounded by large industrial complexes, suburban communities to the north and west of Houston were not appropriate. The following peer communities were chosen:

- City of Baytown
- City of Deer Park
- City of League City
- City of Texas City

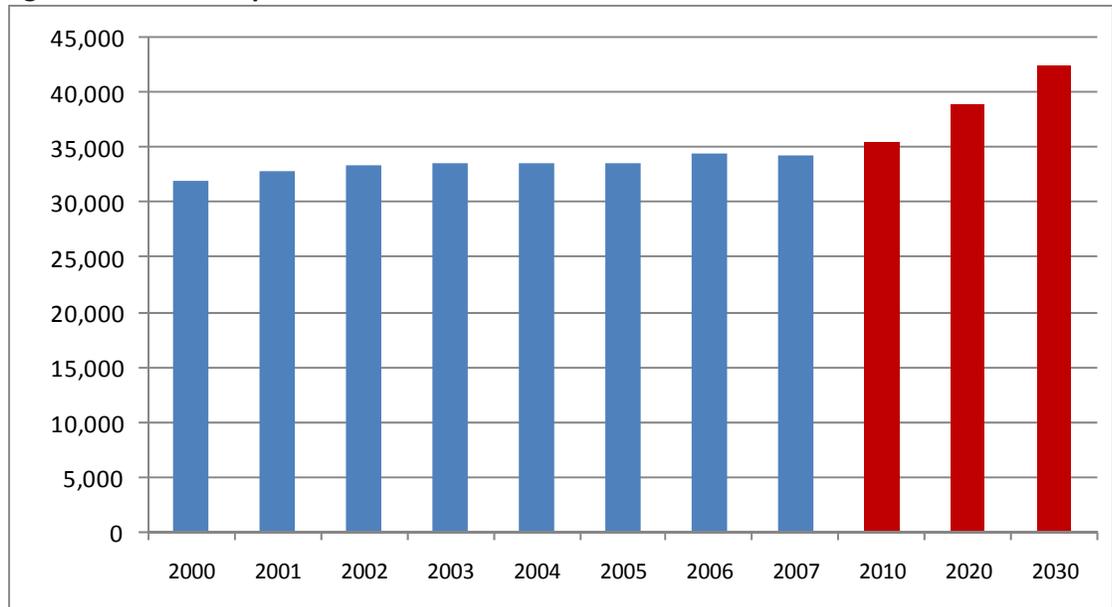
Figure 2: City of La Porte Peer Communities



Population Growth Trends

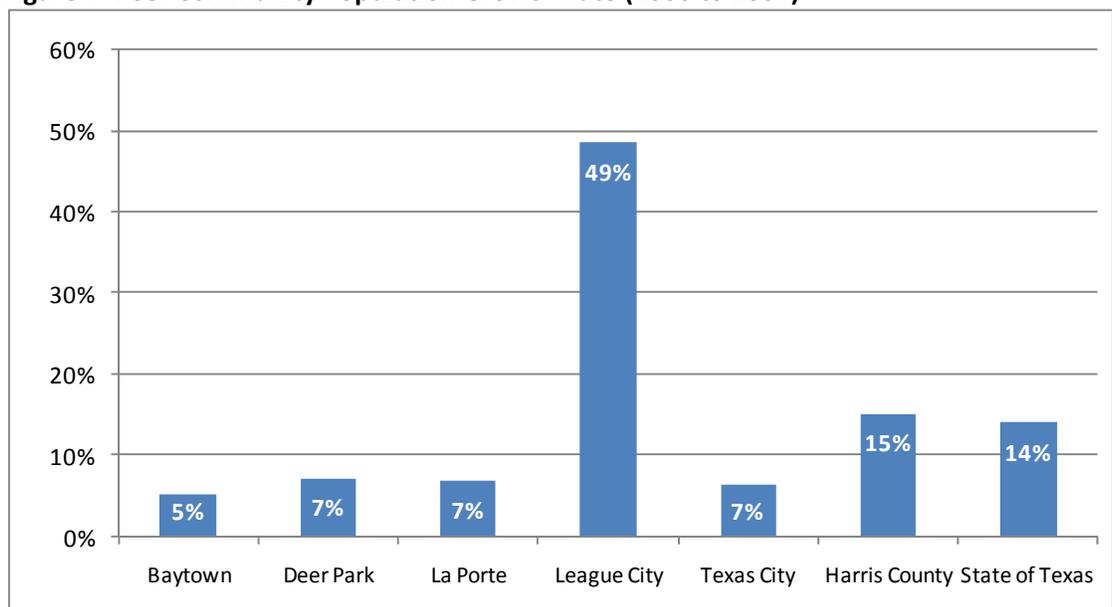
La Porte's population has been slowly increasing over the past decade. The current population estimate for La Porte is approximately 34,300 residents. Since 2000, the city has added 2,200 residents, an increase of 6.9 percent. La Porte's modest growth stands in stark contrast to significant population growth in peer communities and the Houston MSA. The Texas Water Development Board forecasts the city's population will surpass 42,000 by 2030.

Figure 3: La Porte Population Trends & Forecast



Source: U.S. Census Bureau, Texas Water Development Board

Figure 4: Peer Community Population Growth Rate (2000 to 2007)



Source: U.S. Census Bureau

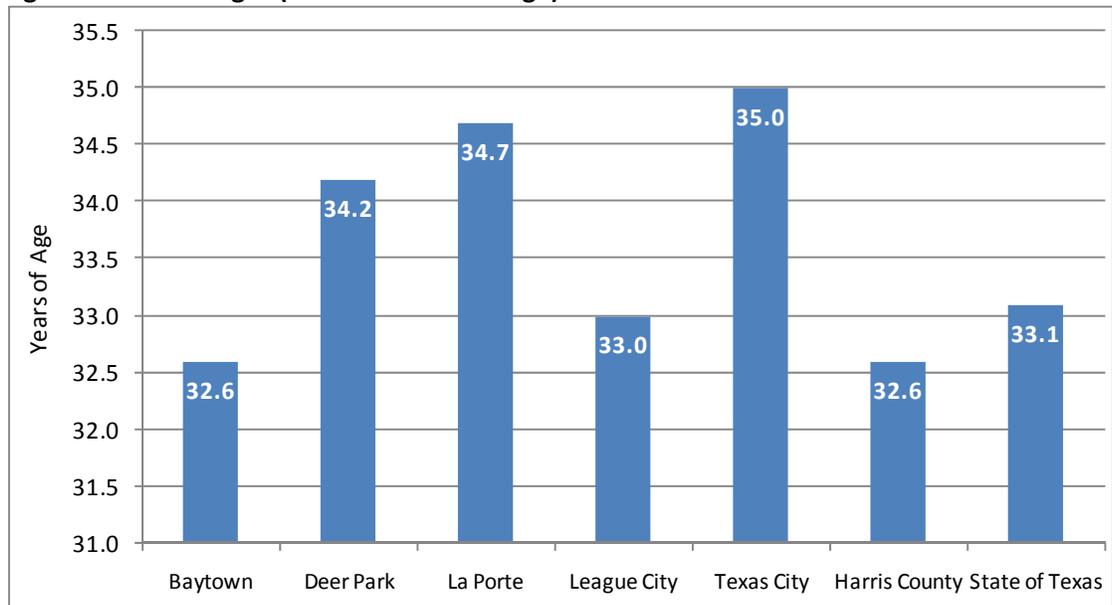
Table 1: Regional Population Trends

Year	Baytown	Deer Park	La Porte	League City	Texas City	Houston MSA
2000	66,564	28,546	32,041	45,882	41,700	4,740,423
2001	66,969	28,758	32,845	48,102	42,511	4,855,878
2002	67,686	29,049	33,388	51,158	42,655	4,988,369
2003	68,055	29,033	33,673	54,403	42,690	5,098,375
2004	68,046	28,962	33,666	57,694	43,274	5,208,977
2005	69,313	29,424	33,622	60,917	43,902	5,321,501
2006	70,013	30,366	34,544	64,410	44,456	5,507,557
2007	70,135	30,628	34,261	68,178	44,415	5,628,101
CAGR	0.75%	1.01%	0.96%	5.82%	0.91%	2.48%

Source: U.S. Census Bureau

A review of population components uncovered a number of useful factors related to labor force availability. First, the median age of La Porte (34.7 years of age) is much higher than the Harris County average of 32.6 years of age. Second, over 63.0 percent of the city’s current population is comprised of working-aged residents defined between the ages of 18 and 65. Last, the percentage of school-aged children (between the ages of 6 and 17) is lower in La Porte than peer communities. On average, La Porte is home to a large percentage of working-age adults or young children. The combination of these trends, is putting upward pressure on La Porte’s median age, but offers relocating and expanding businesses a proximate labor force.

Figure 5: Median Ages (2005 to 2007 Average)



Source: U.S. Census Bureau American Community Survey

Economic Base & Job Creation

La Porte's employment base expanded between 2005 and 2006 (the last year data is available at the sub-county level), adding 3,200 new jobs or a 10.8 percent increase in total employment. In 2006, there were approximately 29,300 La Porte-based business employees. The Manufacturing, Construction, and Transportation & Warehousing sectors play a large role in the La Porte economy. These three sectors account for more than 60.0 percent of La Porte's current total employment, compared to 21.6 percent for the Houston MSA and 51.5 percent Deer Park. Over the past two years, La Porte's employment base has likely contracted because of declining natural resource prices, falling international trade, and the national recession. Continued growth at the Port Crossing Commerce Center and redevelopment activity associated with Sylvan Beach Park represent the most likely opportunities for growth over the next few years. Over the long-term, filling retail trade gaps and expanding tourism-related activity (ex. Main Street redevelopment and Bayport Cruise Terminal) should help diversify the local economy.

Table 2: City of La Porte Study Area Employment Trends

Description	2002	2003	2004	2005	2006
Agriculture, Fishing & Hunting	10	7	16	5	10
Mining, & Oil and Gas Extraction	546	543	496	869	908
Utilities	136	105	173	175	203
Construction	3,926	3,872	4,511	6,210	7,555
Manufacturing	8,004	6,568	6,990	7,322	7,703
Wholesale Trade	1,537	1,588	1,427	1,816	2,108
Retail Trade	1,078	922	919	880	829
Transportation & Warehousing	2,242	2,299	2,257	2,277	2,366
Information	33	40	31	32	26
Finance & Insurance	213	197	209	199	263
Real Estate, Rental & Leasing	284	258	240	240	307
Professional & Scientific Services	966	1,182	1,172	1,224	1,445
Management of Companies	153	279	169	13	19
Administration & Support	706	672	751	1,018	1,316
Educational Services	1,382	1,447	1,498	1,237	1,622
Health Care & Social Assistance	443	339	401	414	434
Arts, Entertainment, & Recreation	157	164	163	168	152
Accommodation & Food Services	797	784	920	1,006	968
Other Services	533	680	776	749	805
Public Administration	344	348	322	336	335
Total	23,490	22,294	23,441	26,190	29,374

Source: TXP, U.S. Census Bureau - LEHD Program

Due to data limitations, specific city-level employment values are not available. Based on industrial districts, zip codes, ETJs, and city limits, TXP created estimates of employment by major sector. The purpose of this dataset is to highlight which sectors are strong in each city, not actual employment figures.

Table 3: Estimated Regional Employment Trends (2006)

Description	Baytown	Deer Park	La Porte Study Area	League City	Texas City
Agriculture, Fishing & Hunting	19	18	10	1	2
Mining, & Oil and Gas Extraction	3,354	877	908	40	22
Utilities	272	147	203	58	188
Construction	2,172	5,204	7,555	1,206	817
Manufacturing	6,608	4,184	7,703	178	3,777
Wholesale Trade	911	950	2,108	434	305
Retail Trade	4,487	993	829	1,244	2,102
Transportation & Warehousing	817	404	2,366	251	229
Information	356	41	26	225	136
Finance & Insurance	669	305	263	503	428
Real Estate, Rental & Leasing	894	229	307	196	308
Professional & Scientific Services	1,859	927	1,445	977	349
Management of Companies	271	7	19	8	5
Administration & Support	1,658	770	1,316	602	709
Educational Services	4,497	2,244	1,622	6,377	1,483
Health Care & Social Assistance	3,629	459	434	1,215	2,595
Arts, Entertainment, & Recreation	321	9	152	372	157
Accommodation & Food Services	2,691	579	968	1,459	1,484
Other Services	1,140	489	805	570	344
Public Administration	705	176	335	307	503
Total	37,330	19,012	29,374	16,223	15,943

Source: TXP, U.S. Census Bureau - LEHD Program

Labor Force Profile

Consistent with a slow growing population, La Porte's employed labor force (residents who have a job regardless of location) has held steady over the past 5 to 10 years. In 2006, roughly 19,000 La Porte residents were employed. The manufacturing and construction sectors capture the largest percentage of working La Porte residents. Even though the city is not strong in retail trade, healthcare, or education occupations, nearly 1 in 4 La Porte residents work in these sectors. The disconnect between La Porte resident occupations and local jobs available indicates a large number of residents commute to surrounding cities for work each day.

Table 4: La Porte Study Area Resident Industry Sector Employment Profile

Description	2002	2003	2004	2005	2006
Agriculture, Fishing & Hunting	27	32	37	38	32
Mining, & Oil and Gas Extraction	652	573	536	546	559
Utilities	208	196	208	165	144
Construction	2,282	2,027	1,785	1,945	2,156
Manufacturing	2,776	2,478	2,588	2,391	2,572
Wholesale Trade	943	920	931	1,072	1,049
Retail Trade	1,778	1,674	1,703	1,752	1,814
Transportation & Warehousing	974	967	971	955	986
Information	226	207	232	198	176
Finance & Insurance	455	395	485	486	516
Real Estate, Rental & Leasing	327	335	333	343	392
Professional & Scientific Services	1,187	1,220	1,239	1,243	1,394
Management of Companies	100	135	121	76	86
Administration & Support	1,004	898	984	1,108	1,231
Educational Services	1,812	1,886	1,928	1,716	1,833
Health Care & Social Assistance	1,312	1,369	1,388	1,387	1,356
Arts, Entertainment, & Recreation	201	180	222	211	173
Accommodation & Food Services	1,290	1,236	1,399	1,386	1,443
Other Services	586	573	642	603	598
Public Administration	438	438	445	414	478
Total	18,578	17,739	18,177	18,035	18,988

Source: TXP, U.S. Census Bureau - LEHD Program

Table 5: La Porte Study Area Resident Labor Force Profile versus Industry Base (2006)

Description	La Porte Resident Employment	La Porte Businesses
Agriculture, Fishing & Hunting	0.2%	0.0%
Mining, & Oil and Gas Extraction	2.9%	3.1%
Utilities	0.8%	0.7%
Construction	11.4%	25.7%
Manufacturing	13.5%	26.2%
Wholesale Trade	5.5%	7.2%
Retail Trade	9.6%	2.8%
Transportation & Warehousing	5.2%	8.1%
Information	0.9%	0.1%
Finance & Insurance	2.7%	0.9%
Real Estate, Rental & Leasing	2.1%	1.0%
Professional & Scientific Services	7.3%	4.9%
Management of Companies	0.5%	0.1%
Administration & Support	6.5%	4.5%
Educational Services	9.7%	5.5%
Health Care & Social Assistance	7.1%	1.5%
Arts, Entertainment, & Recreation	0.9%	0.5%
Accommodation & Food Services	7.6%	3.3%
Other Services	3.1%	2.7%
Public Administration	2.5%	1.1%
Total	100.0%	100.0%

Source: TXP, U.S. Census Bureau - LEHD Program

Labor Shed Analysis

Using publicly available data it is possible to perform a labor shed analysis. The purpose of this analysis is to highlight: 1) where La Porte residents work and 2) where La Porte-based business employees live. The results are useful in identifying future economic development targets, determining workforce gaps, and guiding future public sector investment.

In 2006, approximately 19,000 city residents were employed. At the same time, La Porte-based businesses employed 29,000 workers. Hypothetically, if all La Porte-based jobs were first filled by local residents, then approximately 10,000 workers would need to commute to the city each day. However, data from the Census Bureau - LEHD Program paint a different picture.

In 2006, only 13.4 percent of La Porte residents worked in the city. Over one-third of La Porte working residents commuted to Houston each day. Other large employment centers were Pasadena, Deer Park, and Baytown.

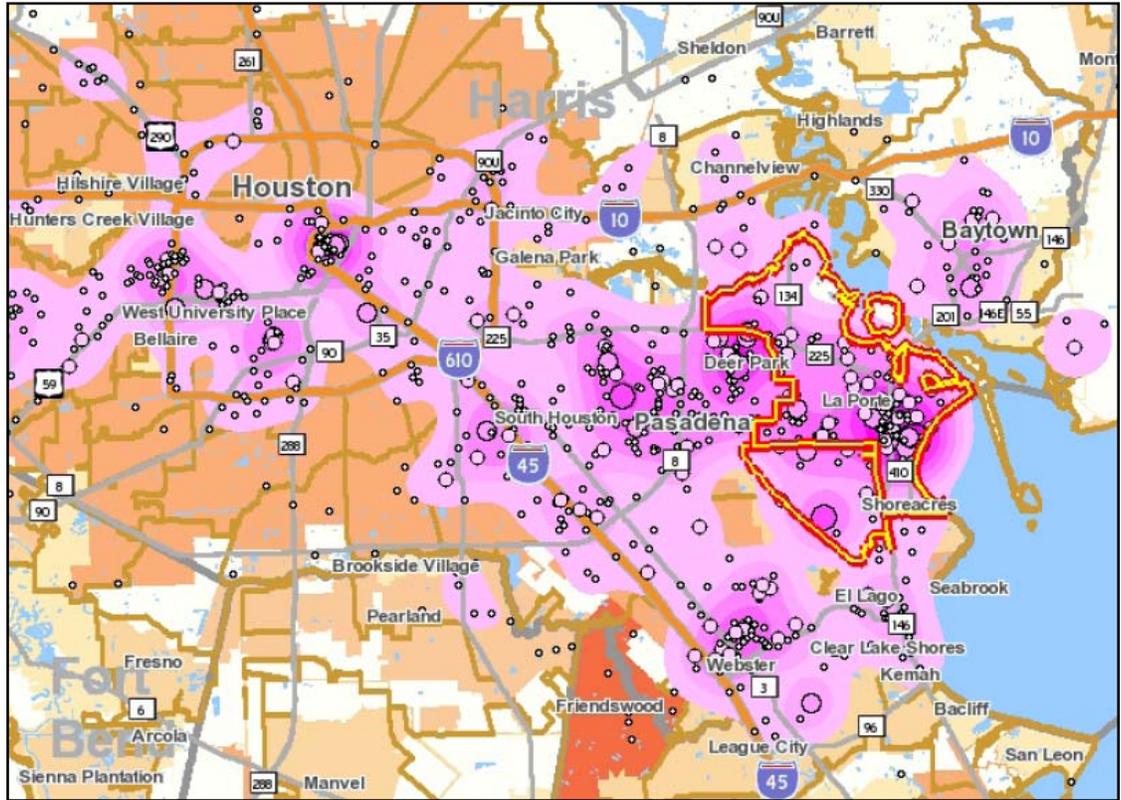
These findings create positive and negative implications for La Porte. Because La Porte residents work throughout the region in a broad range of industries, this can help offset the negative effects of a slowdown in the city's energy sector. The downside is that La Porte-based businesses pay high wages to non-local residents. However, the fact that workers will commute to La Porte for work is a good indicator that future tourism and quality of place projects (Sylvan Beach and Downtown) would attract visitors from neighboring communities.

Table 6: Where Employed La Porte Residents Work

Description	2002	2003	2004	2005	2006
Houston	39.2%	38.8%	38.1%	38.3%	37.2%
La Porte	14.0%	13.5%	13.1%	13.4%	13.4%
Pasadena	9.8%	10.2%	9.4%	9.1%	9.4%
Deer Park	7.1%	7.1%	6.8%	6.6%	6.7%
Baytown	3.1%	2.7%	3.4%	3.1%	3.0%
Webster	1.4%	1.6%	1.6%	1.8%	1.5%
League City	1.0%	0.9%	1.1%	1.3%	1.3%
Austin	0.7%	0.7%	0.8%	0.8%	0.9%
Seabrook	0.5%	0.8%	0.8%	0.9%	0.8%
Pearland	0.6%	0.8%	0.9%	0.7%	0.8%
All Other Locations	22.5%	22.8%	24.1%	24.0%	25.0%

Source: TXP, U.S. Census Bureau - LEHD Program

Figure 6: Where Employed La Porte Residents Work



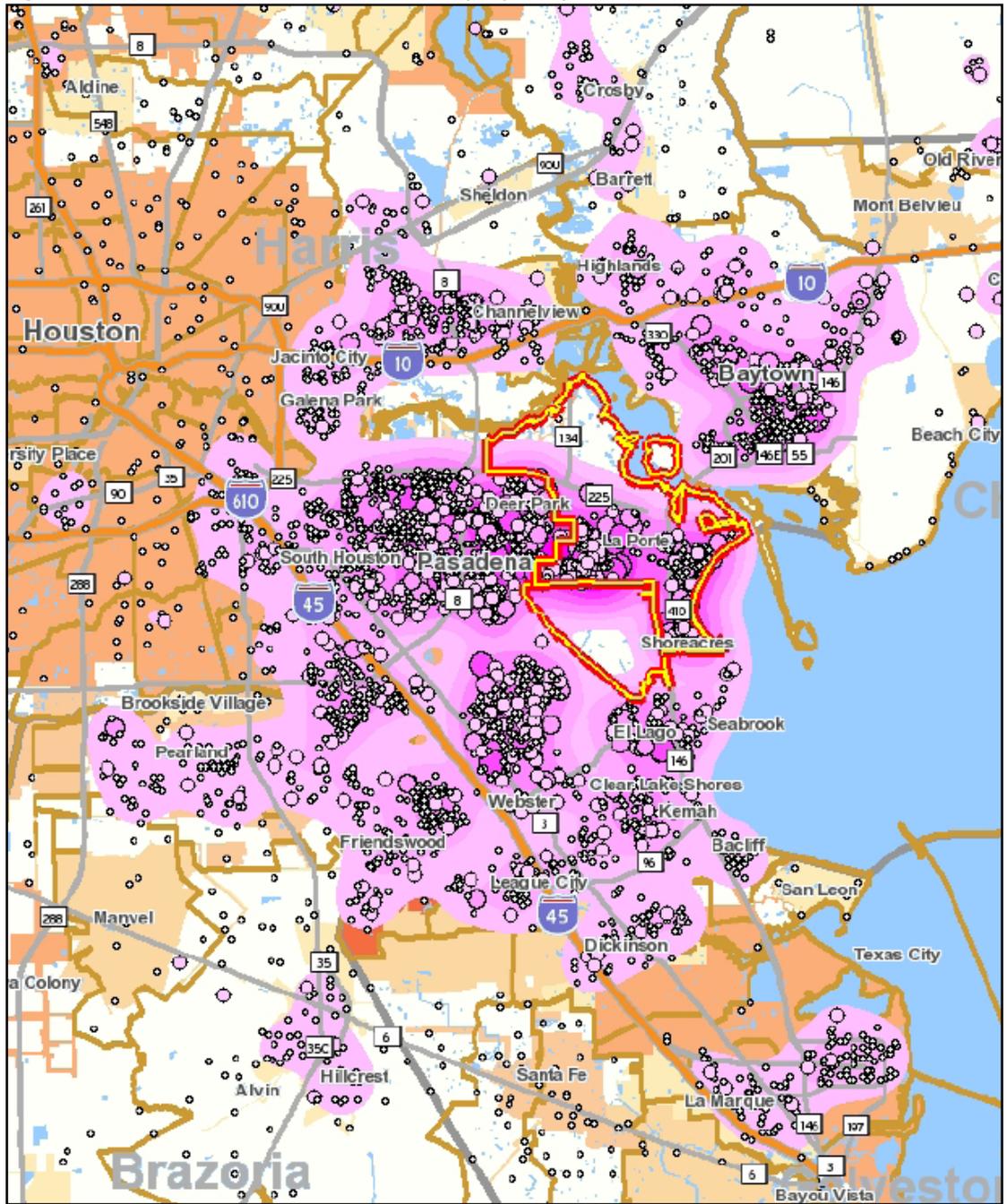
Source: TXP, U.S. Census Bureau - LEHD Program

Table 7: Where La Porte-based Business Employees Live

Description	2002	2003	2004	2005	2006
Houston	18.1%	18.0%	17.5%	17.2%	18.1%
La Porte	14.7%	14.4%	13.6%	12.8%	11.7%
Pasadena	10.6%	10.3%	10.2%	10.0%	10.2%
Baytown	6.4%	5.9%	6.2%	6.0%	6.3%
Deer Park	6.4%	6.0%	5.8%	5.7%	5.6%
League City	2.8%	2.9%	3.1%	2.8%	2.4%
Pearland	1.4%	1.4%	1.6%	1.7%	1.6%
Texas City	0.9%	1.4%	1.2%	1.5%	1.5%
Channelview	1.3%	1.4%	1.3%	1.2%	1.3%
Friendswood	1.3%	1.3%	1.2%	1.0%	1.2%
All Other Locations	36.1%	37.0%	38.1%	40.1%	40.0%

Source: TXP, U.S. Census Bureau - LEHD Program

Figure 7: Where Workers Live who are Employed by La Porte Businesses



Source: TXP, U.S. Census Bureau - LEHD Program

Industry Cluster Analysis

Industry cluster analysis is a common approach used in economic development to evaluate the economic base of a region, usually at the county or multi-county level. Clusters are highly integrated groups of businesses with strong vertical and horizontal linkages. Not only does industry cluster analysis describe the current state, but this technique is often used to identify areas of recruitment opportunity. Industry cluster analysis, however, is a broad concept rather than a precise term. There is not a unified definition of industry clusters or their subcomponents.

In general, a cluster consists of firms and related economic actors and institutions that draw productive advantage from their mutual proximity and connections. First, linkages are established in which businesses build relationships with existing specialized supplier firms throughout a region. Second, these developing clusters attract additional supplier firms and supporting business from outside of the area. Finally, by creating a critical mass of production, labor, and information, related manufacturers and supplier firms are attracted to these developing cluster regions to take advantage of the existing human and physical infrastructure.

A comprehensive analysis of industry cluster techniques released by *The Brookings Institute (Making Sense of Clusters: Regional Competitiveness and Economic Development, 2006)* highlights seven cluster drivers called “microfoundations” of clustering:

Table 8: Cluster Industry Microfoundations

Microfoundations	Description
Labor Market Pooling	Strong market/supply for the distinctive skilled labor needed
Supplier Specialization	Large number of industrial customers in the nearby area create sufficient demand to enable suppliers to acquire and operate expensive specialized machinery
Knowledge Spillovers	Concentration of many people working on a similar set of economic problems produces a widely shared understanding of an industry and its workings
Entrepreneurship	Entrepreneurship includes both the willingness of individuals to form new businesses and the willingness of owners of existing businesses to undertake new ideas
Path Dependence and Lock-In	Set of opportunities available to any particular place will be shaped by the economic activities it has already established
Culture	Culture may be particularly important in helping local economies and clusters adapt to change over time
Local Demand	Demanding local consumers can pressure firms to innovate and to maintain and improve product quality, which in turn improves their competitiveness in other markets

The Brookings study concludes, “It is difficult for public policy to create new clusters deliberately. Instead, policymakers and practitioners should promote and maintain the economic conditions that enable new clusters to emerge. Such an environment, for example, might support knowledge creation, entrepreneurship, new firm formation, and the availability of capital.”

The report highlights the role the public sector can play in cluster development by microfoundation:

- Labor Market Pooling: labor market information, specialized training
- Supplier Specialization: brokering, recruiting, entrepreneurship, credit
- Knowledge-spillovers: networking, public sector research and development support
- Entrepreneurship: assistance for startups, spin-offs
- Lock-In: work to extend, refine, and recombine existing distinctive specializations
- Culture: acknowledge and support cluster organization
- Local Demand: aggregate and strengthen local demand.

Application of Industry Cluster Analysis to La Porte

To assess the strength of a cluster in a regional economy, the location factors are calculated by comparing the cluster’s share of total local employment to the cluster’s national share. This quotient will yield a value generally between 0.00 and 2.00, where 1.00 demonstrates an equal share percentage between the local and national economies. Cluster location factors greater than 2.00 indicate a strong cluster agglomeration, while those less than 0.50 indicate extremely weak clusters.

The biggest challenge for performing a cluster analysis on La Porte is data availability. Clusters are typically defined using 6-digit NAICS (a business classification system). Given the employment base size of La Porte and linkages to neighboring cities, detailed data is not readily available because government agencies “suppress” data to protect the confidentiality of the businesses. For example, detailed employment and payroll data for the petrochemical sector is not released for La Porte because it might reveal specific information about local firms. Therefore, TXP performed a cluster analysis using location quotients at the major NAICS level.

Table 9: La Porte Study Area Industry Concentrations

Description	Baytown	Deer		League City	Texas City
		Park	La Porte		
Agriculture, Fishing & Hunting	0.32	0.60	0.22	0.04	0.08
Mining, & Oil and Gas Extraction	2.70	1.39	0.93	0.07	0.04
Utilities	0.98	1.04	0.93	0.48	1.58
Construction	0.75	3.55	3.33	0.96	0.66
Manufacturing	1.87	2.33	2.77	0.12	2.51
Wholesale Trade	0.42	0.86	1.23	0.46	0.33
Retail Trade	1.11	0.48	0.26	0.71	1.22
Transportation & Warehousing	0.49	0.48	1.80	0.35	0.32
Information	0.59	0.13	0.05	0.86	0.53
Finance & Insurance	0.47	0.42	0.24	0.81	0.70
Real Estate, Rental & Leasing	1.12	0.56	0.49	0.57	0.90
Professional & Scientific Services	0.69	0.68	0.68	0.84	0.30
Management of Companies	1.20	0.06	0.11	0.08	0.05
Administration & Support	0.61	0.56	0.62	0.51	0.61
Educational Services	1.13	1.11	0.52	3.68	0.87
Health Care & Social Assistance	0.97	0.24	0.15	0.74	1.62
Arts, Entertainment, & Recreation	0.76	0.04	0.46	2.02	0.87
Accommodation & Food Services	0.92	0.39	0.42	1.14	1.18
Other Services	1.09	0.91	0.97	1.25	0.77
Public Administration	0.81	0.40	0.49	0.81	1.35
Total	0.32	0.60	0.22	0.04	0.08

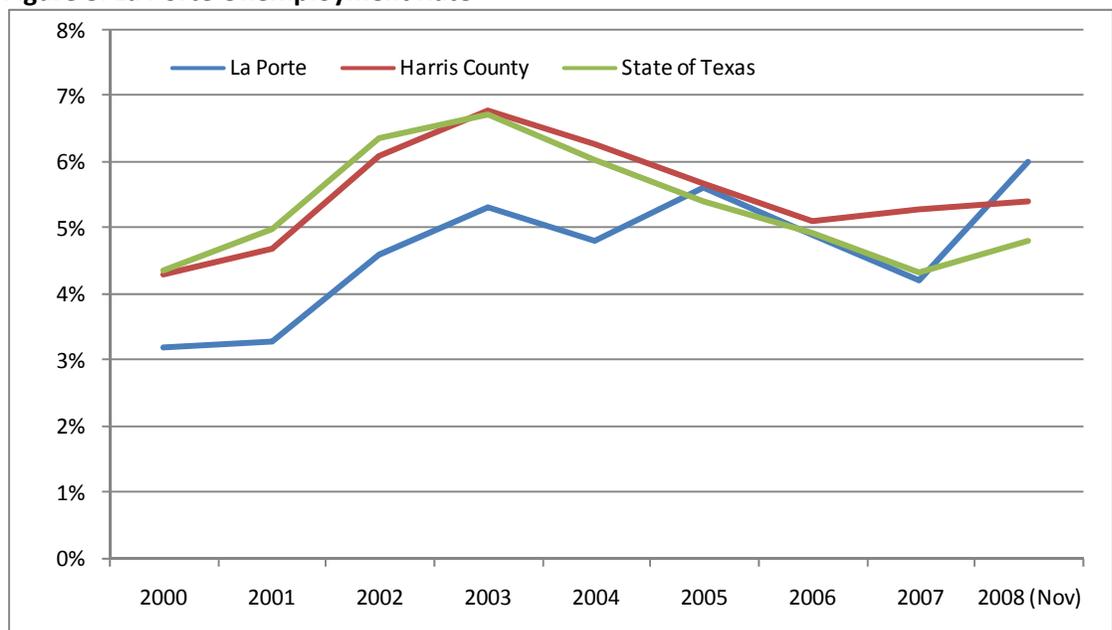
Source: TXP, U.S. Census Bureau - LEHD Program

- La Porte has sizeable concentrations of Manufacturing, Construction, and Transportation & Warehousing clusters relative to the Houston MSA. In 2006, La Porte was home to over 225 establishments for these three sectors combined.
- La Porte has a below average retail trade cluster for a community of its size. A 2006 retail trade study performed by Buxton determined that La Porte does have the potential to attract new retailers and restaurants.
- Key industry clusters less developed in La Porte than the Houston MSA as a whole are Health Care & Social Assistance, Educational Services, Accommodation & Food Services, and Arts, Entertainment, & Recreation. The proximity to the Greater Houston area with already strong clusters (ex. Kemah) as well as geographic location on the far eastern edge of the region might limit growth in some of these sectors.

Unemployment Rate

Consistent with a stable population base and large number of residents working outside of the city, La Porte's unemployment rate has fluctuated based on regional economic trends. In 2000, the unemployment rate in La Porte registered 3.2 percent. By 2005, the unemployment rate had risen to 4.4 percent. The resurgence of the oil and gas sector created an economic surge for the area. As a result, the unemployment rate dropped to 3.6 percent in 2007. The current national economic recession and falling energy prices, however have reversed some of these job gains. The current unemployment rate in La Porte is 6.0 percent, above the Harris County average for the first time this decade.

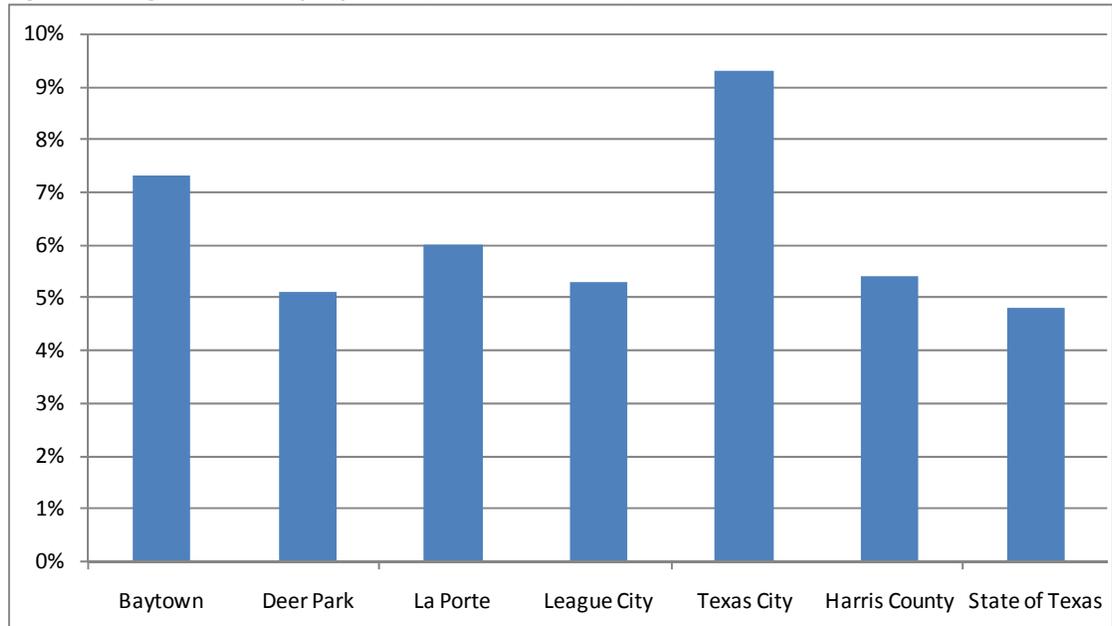
Figure 8: La Porte Unemployment Rate



Source: Texas Workforce Commission

Compared to its peer communities, La Porte's rising unemployment rate is consistent with regional trends. In November 2008, Texas City's unemployment rate climbed to 9.3 percent, or 50.0 percent greater than the La Porte value. Deer Park and League City have the lowest unemployment rates at 5.1 percent 5.3 percent respectively.

Figure 9: Regional Unemployment (November 2008)



Source: Texas Workforce Commission

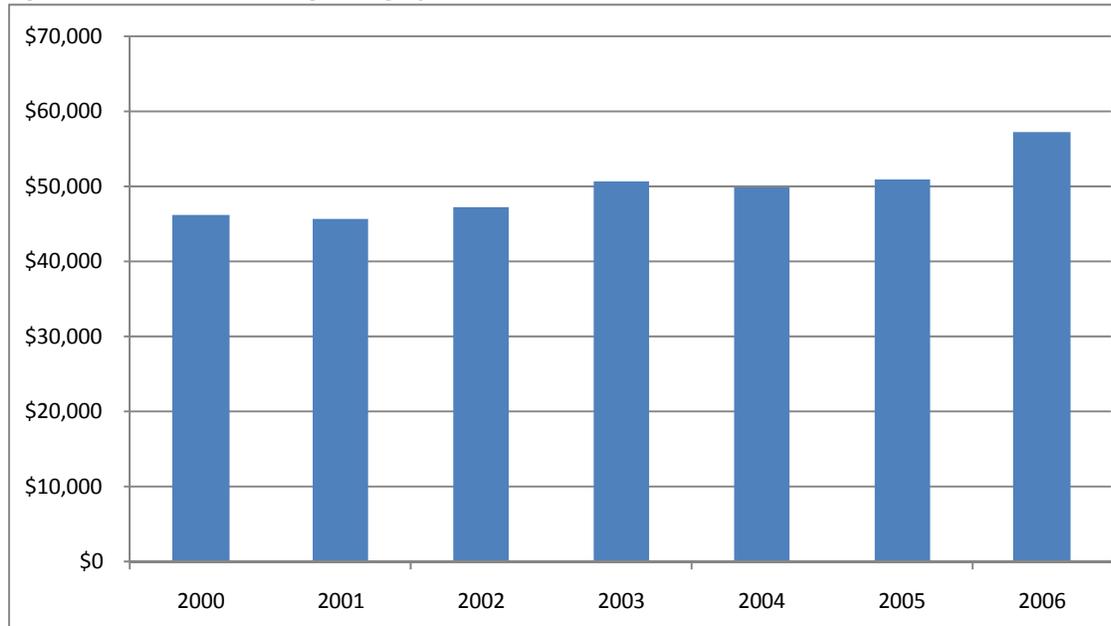
Per Capita Income & Wage Levels

While La Porte's population has been slowly increasing, when compared to the state as a whole, its residents' per capita income has kept up. La Porte's per capita personal income is 3.7 percent above the Texas average, but 4.7 percent below the Harris County Average. The 2005-2007 average per capita income for La Porte is \$24,176 versus the Harris County average of \$25,364. (Note, American Community Survey estimates are used to produce the per capita income statistics and are based on data collected over a 3-year time period. The estimates represent the average characteristics of population between January 2005 and December 2007 and do not represent a single point in time.)

Wages paid to La Porte-based workers, however, are well above state and regional levels. In 2006, the average salary was \$57,195 versus the Harris County average of \$51,932. La Porte is also outperforming all of its peer communities.

It is not possible to produce wage estimates for La Porte residents who work outside of the city. Based on an analysis of La Porte resident occupations (Table 4) and average wage and per capita income trends (Table 11), however, it is likely that residents earn less than the La Porte-based average wage. La Porte registers the greatest disparity between per capita income (based on place of residence) and average wage per job (based on the location of the firm). This indicates millions of wages are leaking to surrounding cities.

Figure 10: La Porte Average Wage per Job



Source: U.S. Census Bureau, Economic Planning and Coordination Division

Table 10: Regional Per Capita Income and Average Wage Trends

	Per Capita Income 2005 to 2007		Average Wage per Job	
	2000	Average	2000	2006
Austin County	\$18,140	\$24,232	\$29,532	\$36,678
Brazoria County	\$20,021	\$25,946	\$33,561	\$39,859
Chambers County	\$19,863	\$24,784	\$35,037	\$42,439
Fort Bend County	\$24,985	\$29,005	\$34,833	\$43,701
Galveston County	\$21,568	\$26,204	\$29,333	\$38,170
Harris County	\$21,435	\$25,364	\$41,339	\$51,932
Liberty County	\$15,539	\$17,720	\$24,435	\$30,355
Montgomery County	\$24,544	\$29,279	\$31,563	\$39,429
San Jacinto County	\$16,144	\$17,900	\$21,187	\$24,887
Waller County	\$16,338	\$20,490	\$24,708	\$33,126
Baytown	\$17,641	\$20,165	\$35,734	\$41,169
Deer Park	\$24,440	\$27,313	\$49,964	\$56,881
La Porte	\$21,178	\$24,176	\$46,135	\$57,195
League City	\$27,170	\$32,668	\$24,263	\$30,304
Texas City	\$17,057	\$19,070	\$37,450	\$42,504

Source: TXP, U.S. Census Bureau, U.S. Bureau of Economic Analysis

Tourism Sector

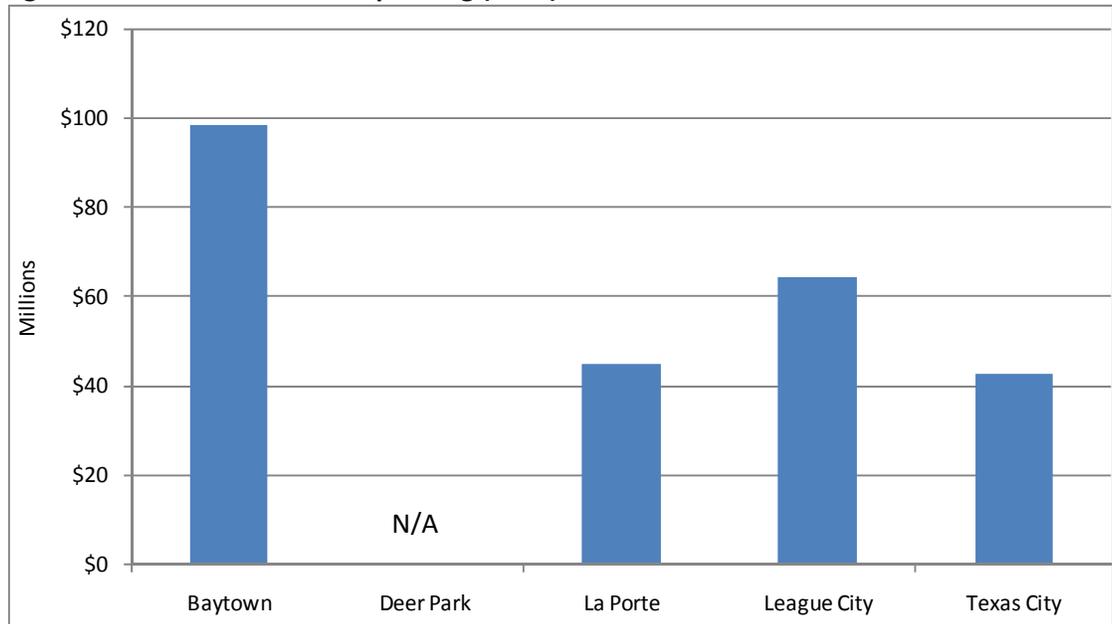
Tourism-related activity is not a significant component of the La Porte economy, but the city does have a long history of attracting visitors to Sylvan Beach. In recent years, Sylvan Beach remained a popular destination for family outings and the Pavilion hosted local events before its closing after Hurricane Ike. Currently, efforts are underway to increase tourism activity in the area. Harris County, for example, has completed a Sylvan Beach Park Master Plan and has allocated funds for beach reclamation. A 2007 hotel feasibility study by PKF consulting found that the Sylvan Beach area could support a 250-room full service hotel, though no hotel has yet expressed interest in the property. La Porte is also exploring strategies to link Main Street, the 5 Points Development, and Sylvan Beach. Out-of-town visitors still spend millions of dollars at local hotels and shops each year. In 2006, the \$45.1 million in direct spending by La Porte visitors supported 400 local jobs and generated \$1.1 million in tax revenue.

Table 11: Annual Economic Impact of La Porte Visitor Spending

Year	Destination Spending (millions)	Earnings (millions)	Employment	State Tax Receipts (millions)	Local Tax Receipts (millions)
2002	\$34.8	\$10.0	400	\$0.9	\$2.4
2003	\$35.5	\$9.9	400	\$0.9	\$2.4
2004	\$36.0	\$9.8	380	\$0.8	\$2.4
2005	\$42.2	\$11.1	420	\$1.0	\$2.7
2006	\$45.1	\$11.4	410	\$1.1	\$2.8

Source: Office of the Governor, Economic Development and Tourism

Figure 11: Visitor Destination Spending (2008)



Source: Office of the Governor, Economic Development and Tourism

Retail Trade Sector

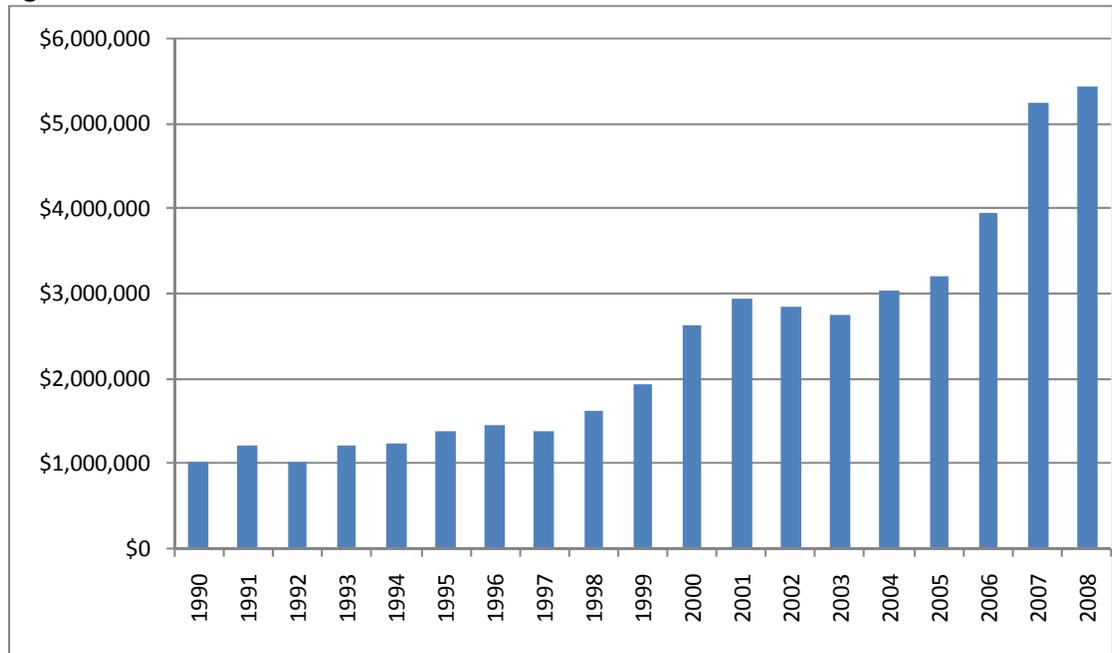
A review of area retail sales by trade sector reveals that La Porte is not capturing its full share of resident spending. This finding is consistent with stakeholder input that many residents drive to surrounding communities to shop - in economic terms the region is “leaking” retail sales dollars. For example, La Porte taxable retail sales per capita are well below peer communities. In 2007, La Porte registered \$1,850 taxable retail sales per capita compared to \$5,938 for Harris County. This has important implications for La Porte’s overall tax base because the city generates close to half of its revenue from property taxes or industrial payments. A review of La Porte’s total sales tax collections over the past 20 years reveals that big upticks in collections are closely related an increase in the sales tax rate (ex. economic development sales tax or construction spending by businesses), but not new retail activity.

Table 12: Per Capita Retail Sales Subject to Sales Tax

Year	Baytown	Deer Park	La Porte	League City	Texas City	Harris County
2002	\$5,619	\$1,607	\$1,487	\$2,382	\$4,988	\$4,941
2003	\$5,381	\$1,655	\$1,494	\$2,288	\$4,473	\$4,825
2004	\$5,466	\$1,752	\$2,356	\$2,644	\$4,321	\$4,949
2005	\$5,844	\$2,751	\$2,492	\$3,130	\$4,371	\$5,281
2006	\$6,528	\$4,122	\$1,591	\$2,432	\$4,366	\$5,629
2007	\$7,024	\$4,220	\$1,844	\$3,176	\$4,561	\$5,938

Source: TXP, Texas Comptroller of Public Accounts

Figure 12: Annual La Porte Total Sales Tax Rebates

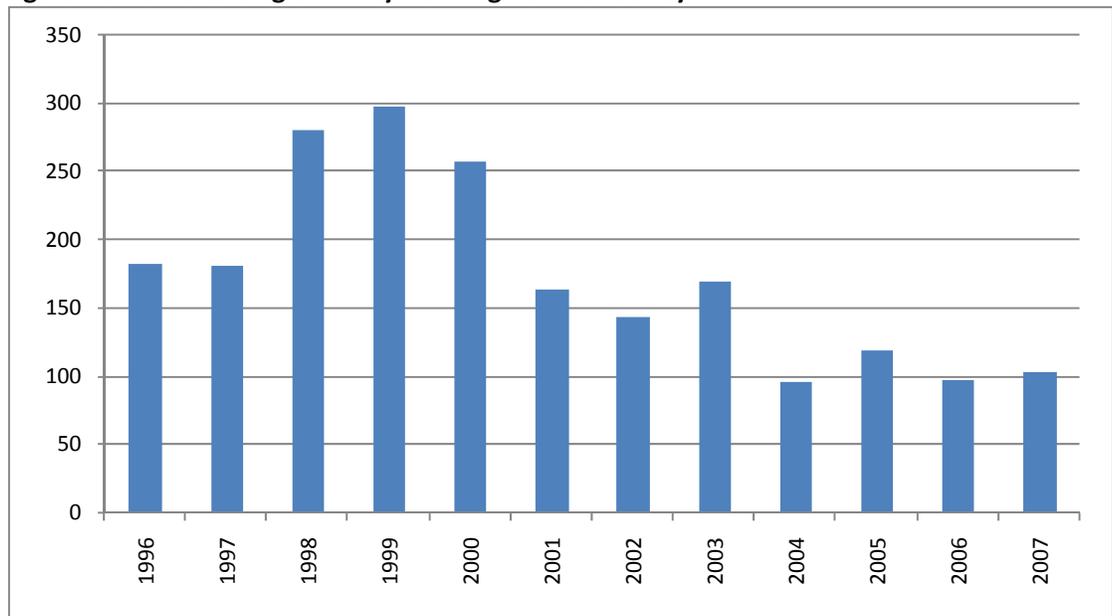


Source: TXP, Texas Comptroller of Public Accounts

Real Estate Sector

Single-family building permit activity has been healthy in La Porte over the past decade. Data provided by the Texas A&M Real Estate Center and U.S. Census Bureau, however, indicates that La Porte single-family buildings permits lag the rapid growth in some peer communities. This is not a surprise given the limited amount of land available for development. Future development will likely take place near the Bay Forest golf course or as large lots in the western portion of the city are subdivided. Over the past few years, approximately 100 single-family building permits were issued.

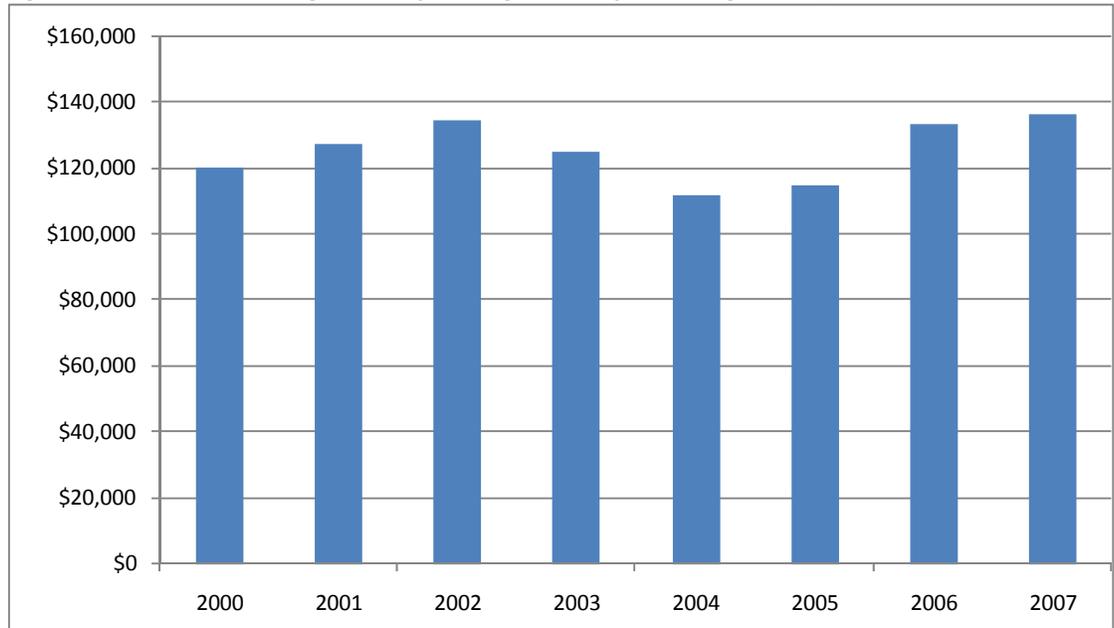
Figure 13: La Porte Single-Family Building Permit Activity



Source: U.S. Census Bureau

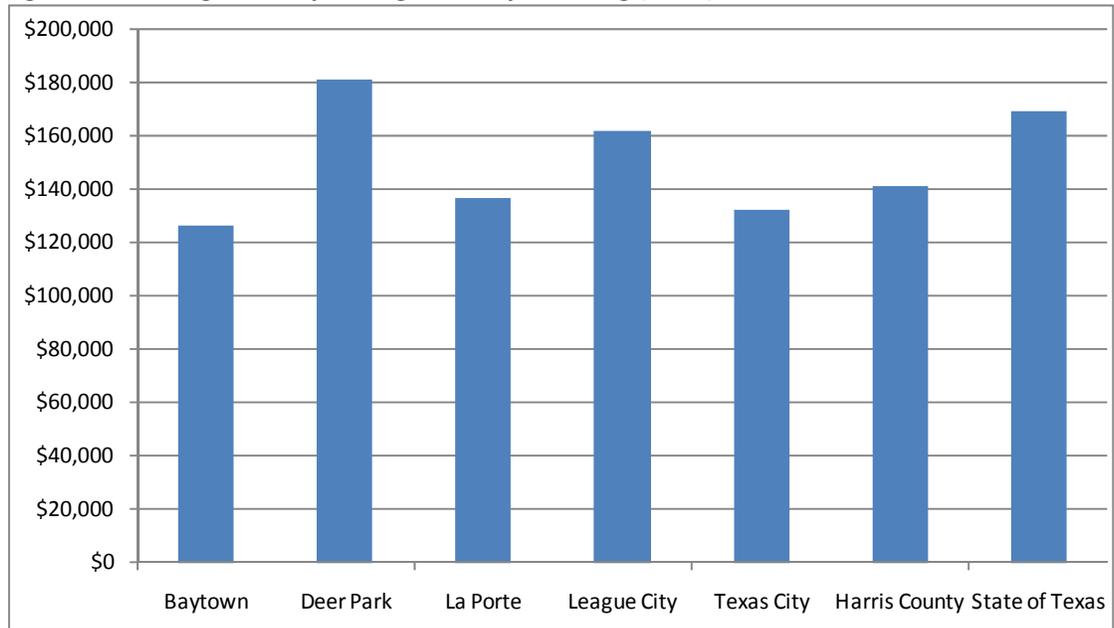
The average value of a new single-family home in 2007 was \$136,321. Using an industry standard of 28 percent of gross income, the maximum percentage of monthly gross income that a lender allows for housing expenses plus recurring debt, a new home buyer would need to earn \$40,000 per year to qualify for a traditional loan. Compared to peer communities, La Porte offers one of the lowest prices for a new single-family home. The most expensive peer community was Deer Park at \$181,123 per new home. It is worth noting even with La Porte's relatively low housing costs, the majority of La Porte business workers do not live in the city.

Figure 14: La Porte Average Value per Single-Family Dwelling Unit (\$)



Source: U.S. Census Bureau

Figure 15: Average Value per Single-Family Dwelling (2007)



Source: U.S. Census Bureau

Appendix: Survey Results

Avalanche Consulting is pleased to present the results of the Forward La Porte Economic Development Survey. The survey was conducted between December 2008 and January 2009 to gain insight into local residents and businesses' opinions about economic development. A total of 301 surveys were completed.

Across the board, survey responses reflected a consistent thinking among La Porte residents. City beautification, Main Street revitalization, and Sylvan Beach revitalization topped residents' economic development priorities. La Porte's top strengths are perceived as being (1) public safety, (2) cost of living, (3) access to higher education, and (4) quality of K-12 education. The city's perceived weaknesses included retail shopping, downtown, arts and culture, and the city's appearance. Many residents encouraged the City to concentrate on balancing growth through community development versus industrial recruitment, reviving La Porte's historic core, and offering families enhanced entertainment and recreational opportunities.

Methodology

Avalanche Consulting kicked off the project by developing an online survey and then presented the draft questions to the Forward La Porte Steering Committee for review. After receiving their feedback, Avalanche finalized the survey and launched it on December 8, 2008. (A copy of the survey is provided at the end of this Appendix.)

To encourage residents to participate in the survey, Avalanche initiated a multi-faceted promotional campaign:

- Avalanche developed the online survey utilizing QuestionPro software. An online format was chosen to save time and cost.
- Avalanche developed a survey webpage which contained a link to the survey.
- The website's URL was provided to Steering Committee members and other civic leaders, and they in turn shared it with their contacts.
- The *Bayshore Sun* and *Houston Chronicle* wrote articles about the survey's launch.
- Avalanche and the *Bayshore Sun* created an advertisement to remind residents to take the survey. The ads were published in the January 18 and January 21 editions.
- The survey was viewed by 497 people. Avalanche received 301 complete survey questionnaires. On average, it took participants 10 minutes to finish the survey.

The survey was completed on January 23, 2009.

Survey Demographics

Of the 301 residents who completed the survey, 60 percent had lived in La Porte for 11 years or longer.

76 percent of all respondents were currently employed, with exactly one-half employed by a company located in La Porte and the other one-half working outside of the city. A large majority of survey participants (65.8 percent) were 45 years old or older.

The demographic mix of survey respondents closely matched the city’s population demographics.

Age Range	% of Survey Participants
18-24 years	2.8%
25-34 years	10.4%
35-44 years	21.0%
45-54 years	31.6%
55-64 years	20.2%
65+ years	14.0%

Economic Development Questions

To kick off the economic development portion of the survey, Avalanche wanted to understand local residents’ definition of “what counts as success?” in economic development. 84% of them said that they agree with the following definition:

“Enhanced prosperity and quality of life for La Porte’s residents and businesses.”

Next, we asked respondents to rate their satisfaction level on a variety of economic development topics, from education to quality of life to city government. Participants scored each topic on a scale of 1 (not satisfied) to 4 (very satisfied). To highlight a few of the findings:

A majority of respondents were either “satisfied” or “very satisfied” with the following topics:

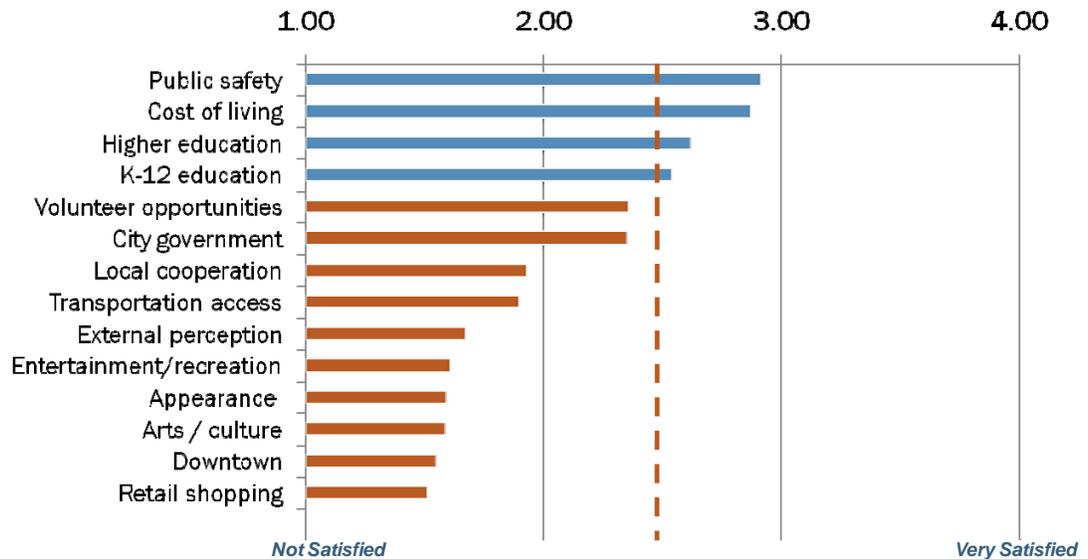
- Public safety (75.9%)
- Cost of living (75.8%)
- Higher education opportunities in the area (62.8%)
- Public education (54.5%)

In contrast, a majority of respondents indicated that they were “not satisfied” with the following:

- Retail shopping and restaurants (67.1%)
- Downtown development (63.4%)
- City’s appearance (60.7%)
- Entertainment and recreation (60.0%)
- Arts and culture (56.3%)
- External perception of La Porte (54.1%)
- Transportation access (44.1%)

On the remaining topics, most respondents felt neutral on the availability of volunteer opportunities and local cooperation / shared vision.

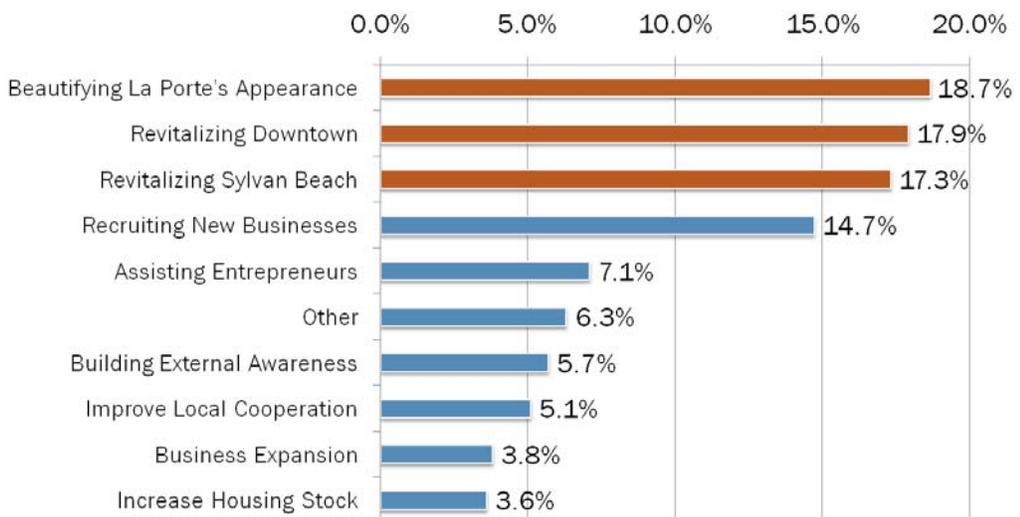
Figure 16: How satisfied are you with the following aspects of La Porte?



The above figure illustrates the average score for each option. Options receiving a score of 2.5 or greater are satisfactory for a majority of La Porte residents, while scores lower than 2.5 are areas in which residents see need for improvement.

Respondents were also asked to rate what they believe to be La Porte’s top economic development priorities. Quality of place topics such as beautification, downtown revitalization, and Sylvan Beach strongly rose to the top. Interestingly, traditional economic development roles, such as business recruitment, local business expansion, and external marketing rated much lower.

Figure 17: What are the city’s top three economic development priorities?



The survey contained several open ended questions that allowed participants to comment on their view of the city’s greatest strengths and challenges. They were also asked to provide a single word or phrase that they would like to be used to describe La Porte 20 years from now.

A list of select comments is provided at the end of this document. We also sorted comments according to subject matter, and have listed the results below. (Note, not every participant commented.)

What is La Porte’s single greatest strength?

<u>Topic</u>	<u>Number of Responses</u>
Waterfront Location / Sylvan Beach	95
Small town charm	58
Location relative to Greater Houston	42
People (“warm,” “friendly”)	41
Petrochemical and port industries	25
Public safety	10
City leadership	7
History	6
La Porte K-12 schools	5

What is La Porte’s single greatest weakness?

<u>Topic</u>	<u>Number of Responses</u>
Balancing growth / preserving city’s character	63
Appearance of the city	60
<i>Appearance of Main Street, specifically</i>	15
New business attraction, retail and entertainment	47
Petrochemical and port industries	39
<i>Pollution related to industry, specifically</i>	12
<i>Traffic related to industry, specifically</i>	13
External perception / reputation	17
Local politics / status quo thinking	13
Flooding / hurricanes	8

What is La Porte's single greatest strength? (sample answers)

- "Good down home feeling"
- "Small town attitude and ambiance"
- "Waterfront location and diversity of homes"
- "The plants and refineries"
- "Sylvan Beach"
- "Proximity to Galveston Bay and historical role in the Battle of San Jacinto"
- "Potential for growth, not necessarily in size but in quality"
- "Space for development that will bring in tourism and business"
- "Sylvan Beach Pavilion, it's reputation from years of history"
- "Proximity to Houston, massive employment base, vital transportation systems"
- "3.3 miles of Galveston Bay front"
- "The thing that I have heard from Hurricane support workers is that we have great diners!"
- "Friendliness"
- "Security and tranquility"
- "Petrochemical business"
- "Its people!"
- "Small town qualities while being next to a large city"
- "Located on a corner of a major highway with plenty of land for development"
- "Port of Houston, LPISD, and the City are fine examples of the strength of La Porte"
- "Camaraderie of the community"
- "Friendly people including store and restaurant owners"
- "Our town has a fine group of citizens, many of whom I am proud to call friends"
- "Affordability of homeownership"
- "Jobs, industry and recreation of Galveston Bay"
- "Parental involvement in school activities"
- "Small city with industry tax base"
- "Historical significance of the city and the area"
- "Waterfront parks and homes, older neighborhoods with history"
- "Ship channel"
- "The history of the downtown area/old buildings, the bay – if cleaned up"
- "Low crime"
- "Caring community"

What is La Porte's single greatest challenge? (sample answers)

- "People not wanting progress"
- "Lacking in beautification, no local retail"
- "Blight"
- "Attracting retail customers for La Porte's businesses"
- "Old in appearance... and maybe in spirit?"
- "Getting people here to appreciate the city"
- "Remaining a good place to raise a family without succumbing to the industry and Port"
- "Restoration and redevelopment of old downtown while maintaining the original look"
- "Overcoming the current perception from people not living or entertaining here"
- "Protecting citizen rights against industry"
- "Bringing more tourist activity to La Porte"
- "Fighting the 'industrial moniker'"
- "Improving schools. Resisting continued industrial growth"
- "Quality retail development"
- "Flooding issues"
- "Air quality caused by local industry"
- "Keeping us safe from traffic problems and chemical leaks"
- "Doing something with Sylvan Beach"
- "Patience. Real growth and quality of life comes from time, perseverance, and hard work"
- "Getting more people to the city"
- "The overwhelming presence of industry"
- "Ability to attract higher end retail / dining centers"
- "Getting citizens to not be afraid to support change!"
- "Few activities, no outdoor trails despite the bay"
- "Limited shopping"
- "Age of infrastructure and lack of recreational activities that would draw nonresidents"
- "Chemical plants and the resulting pollution"
- "Keeping our small town feeling"
- "Blighted neighborhoods"
- "Downtown should be developed with tourism in mind"
- "Horrible port traffic"
- "Putting political agendas aside"
- "Division"
- "Industrial encroachment"
- "The age of the city and the fact that it is in need of a face lift"
- "Resistance to growth and change"
- "Truck traffic"
- "Not very many programs offered for children"
- "Number of dilapidated buildings, particularly in downtown"
- "No tall palm trees or lush landscaping to welcome visitors and residents"

In an ideal world, what word or phrase will be used to describe La Porte 20 years from now? (sample answers)

- "Most beautiful port city in the world"
- "Key in boosting commerce of the Houston region"
- "A great place to live and play"
- "An artistic community"
- "Revived"
- "Doorway to the world"
- "Friendly, dynamic small city"
- "Coastal community by the Bay to live, work, and play"
- "Vibrant, renewed"
- "Modern and viable"
- "A historic city that has great memories"
- "La Porte, Your port of all!"
- "The most prosperous small town in the nation"
- "A destination"
- "A jewel on Galveston Bay"
- "La Porte, we are family"
- "The new Kemah"
- "An oasis from the rat race of life"
- "La Porte: The Gulf Coast destination"
- "Inviting and Industrious"
- "A model port city"
- "A walkable, mixed use community with multiple incomes and housing types"
- "Fun but cozy"
- "The 'master' of bedroom communities"
- "We finally have underwear for sale!"
- "Family friendly and prosperous"
- "Self sufficient"
- "City on the sunrise"
- "Clean, green, and safe"
- "A port, warehouse, and transportation center ~ not a hometown"
- "Gateway to Houston"
- "Set your sails on La Porte"
- "Playground"
- "Contemporary suburban metropolis"
- "Beacon of wonderment"
- "Forward thinking"
- "China's warehouse"
- "Seaside nostalgic"
- "Coastal relaxation"
- "City of Hope"
- "Thriving"



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Chapter 2: SWOT Analysis

**ECONOMIC DEVELOPMENT STRATEGIC PLAN
CITY OF LA PORTE, TEXAS**

February 2009



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SWOT Analysis

A “SWOT” analysis evaluates a community’s strengths, weaknesses, opportunities, and threats. Performing a SWOT Analysis is a simple but excellent tool to help focus an economic development strategy and develop an action plan.

The information presented in Report 1, Economic Assessment, provides an analysis of the trends impacting the City of La Porte. This SWOT Analysis takes the investigation one step further. It also considers how closely those trends align with input received through the community survey and interviews conducted for La Porte’s Strategic Plan. Contrasting quantitative and qualitative information reveals where La Porte’s true strengths and weaknesses exist.

Strengths are those unique attributes of La Porte that should be marketed and built upon.

The city has a remarkable number of assets for a community of its size. Its bay front location, Sylvan Beach, and historic Main Street District top the list. Also included is the strong industrial base that generates substantial tax revenue and helps La Porte endure economic downturns. A low cost of living and close proximity to Greater Houston’s world-class educational, business, and cultural amenities are additional strengths.

Weaknesses are characteristics that currently hinder La Porte’s economic development.

Top on the list is the city’s physical appearance, which stems from a heavy industrial presence. Local residents are displeased with the availability of retail within the city limits, and La Porte rates the lowest of its neighbors in per capita sales tax generation. While the bay front and Main Street are assets, their current disconnect from a planning perspective is a weakness. A short supply of undeveloped land could limit future growth, whether it comes from new industry, retail, or residential construction.

Opportunities and threats are factors that affect La Porte’s economic development

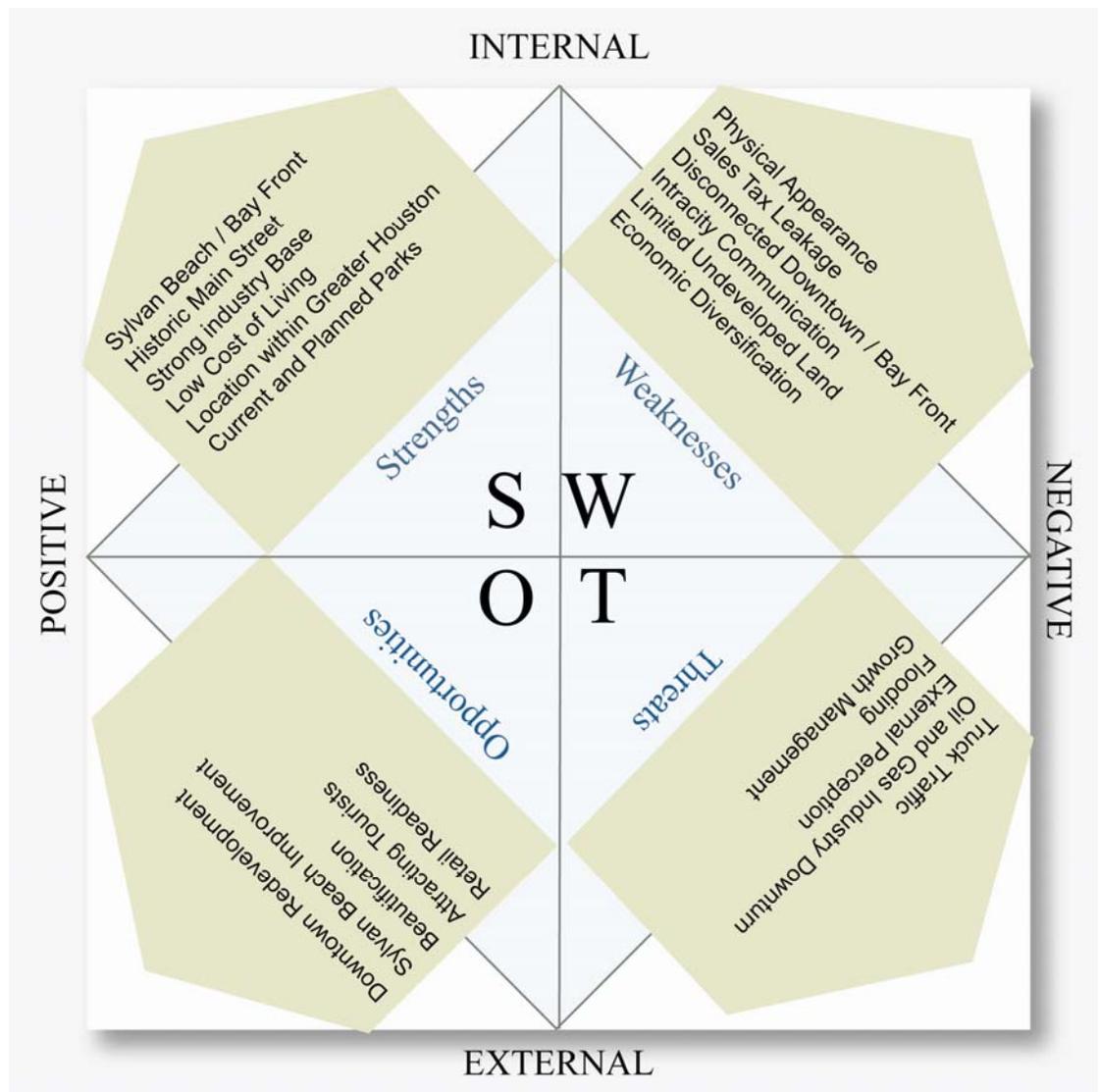
potential. The high concentration of oil and gas companies in the city is a strength, but also poses a threat should the industry suffer a downturn. Increasing truck traffic from industry and port activity threatens La Porte’s quality of life. La Porte’s greatest opportunities revolve around improving quality of life. Revitalizing downtown and Sylvan Beach, connecting Main Street to the bay front, beautifying the city’s physical appearance, and continued investment in parks and trails are all tremendous opportunities that will please residents and encourage the growth of a more diverse mix of businesses.

The following pages provide an illustration of La Porte’s SWOT analysis and a description of each topic. The marketing and economic development recommendations that will be



included in the final Economic Development Strategy will aim to address the community's threats and build upon its opportunities.

SWOT Illustration



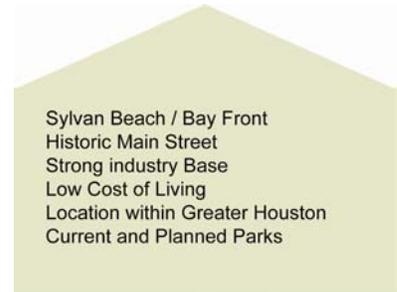
La Porte's Strengths

Sylvan Beach / Bay Front

The Forward La Porte survey asked participants to comment on La Porte's single greatest strength. The largest response centered on the city's waterfront location and Sylvan Beach. They are truly unique assets that distinguish La Porte from many other Texas towns.

A bay front location has allowed the growth of both commercial and recreational amenities. La Porte is located between the Port of Houston's two terminal complexes: the recently opened Bayport Industrial Complex, which contains two port terminals and a cruise terminal, and the Barbour's Cut Container Terminal. Together, the two complexes handle around 1.6 million TEUs (twenty-foot equivalent units) of goods annually, which represents an estimated 72 percent of all containerized cargo in the U.S. Gulf. The commerce flowing through Port of Houston facilities – the world's sixth largest port - is an economic engine and strength of the city.

Recreational opportunities abound at La Porte's historic Sylvan Beach, waterfront parks, neighboring Houston Yacht Club, and home sites. Sylvan Beach is the star of La Porte's bay front amenities. The 32-acre park was a famous resort in the early part of the 1900s and is the closest beach access to Galveston Bay from downtown Houston. Located on the property is the Sylvan Beach Pavilion, which hosted countless dances and other community events over the years. While 2008's Hurricane Ike severely damaged the 1,100-foot pier and Pavilion, Harris County and the City of La Porte are working on plans to revitalize the park. The first step in that progress is the reconstruction of the beach, which is scheduled to begin in 2009.



Strengths

What is La Porte's single greatest strength?

<u>Topic</u>	<u>Responses</u>
Waterfront Location / Sylvan Beach	95
Small town charm	58
Location relative to Greater Houston	42
Friendly people	41
Petrochemical and port industries	25
Public safety	10
City leadership	7
History	6
La Porte K-12 schools	5

Source: Forward La Porte public survey, January 2009

Historic Main Street District

La Porte's Main Street is one of only 59 Texas cities to be recognized by the National Trust for Historic Preservation and the Texas Historical Commission. The City's Main Street Program aims to help Main Street La Porte "re-emerge as a thriving downtown community encompassing an appealing hometown atmosphere in a unique historical bay front setting." The Program's Advisory Board addresses building design, economic restructuring, promotions, and volunteer organization.

The City has concentrated on reviving downtown commerce through two gateway developments. The first will anchor the Highway 146 entrance to Main Street with an architectural element and a new restaurant. The second involves a public plaza located at the five points intersection. Both projects have been funded, and design and construction are slated to begin in 2009.

As one resident stated during his interview with Avalanche's project team, "Downtown La Porte has never looked so good." While improvements will continue well into the future, the foundation for a thriving downtown is in place.

Strong industry Base

The manufacturing, construction, and transportation / warehousing sectors play a large role in the La Porte economy. These three sectors account for more than 60 percent of La Porte's current total employment, compared to 21.6 percent for the Houston MSA. La Porte's oil and gas industry is responsible for 30 to 40 percent of the city's output. Location quotient analysis shows that La Porte has 3.3 times Houston MSA's concentration of construction jobs, 2.8 times the concentration of manufacturing jobs, and 1.8 times the concentration of warehousing and transportation jobs. Salaries paid by La Porte businesses average \$57,200 per year, higher than neighboring cities and Harris County.

Even though population growth has been slow, La Porte's residents remain steadily employed. "If you want to work, you can find a job," touted one resident. La Porte's industry base is a strength for City coffers as well. The City of La Porte has 118 industrial district contracts, each paying \$.62 per dollar without the City providing services. This

When one new resident was asked how she chose La Porte, she said that she conducted a national search based on the following criteria, and La Porte came out on top:

- (1) Low cost of living
 - (2) Low crime
 - (3) Low unemployment
 - (4) Warm climate
 - (5) Close to major city with cultural amenities
-

significant income stream provides the City fiscal comfort and capacity to reinvest in the community.

Low Cost of Living

La Porte is an affordable place to live. The average value per single-family dwelling in La Porte is lower than neighboring Deer Park, League City, Clear Lake, as well as the Harris County and Texas average. Property tax rates are lower than average compared to other Harris County cities.

Location within Greater Houston

La Porte is located within the nation's fourth largest metropolitan area and within 20 minutes of downtown Houston. Its strategic position allows the best of both worlds, a small town atmosphere situated inside of an international hub.

Greater Houston's assets are too many to name. The area is home to more than 60 universities, colleges, and other degree-granting institutions with a combined enrollment of 360,000. Twenty-six Fortune 500 companies are headquartered in Greater Houston. Of the world's 100 largest non-U.S. based companies, half have operations in the region. 2.7 million workers live in the metro area. In addition, the area is home to a wide spectrum of internationally renowned performing and visual arts organizations, cultural activities, and recreational amenities.

Current and Planned Parks

The City of La Porte's parks system is a strength, and the City has plans to make it even better. The system currently includes 18 parks totaling more than 115 acres of land.

In 2009, the City is committing \$250,000 in funding for improvements to Little Cedar Bayou Park, including entrance improvements and clearing land on the south to make space for picnic tables. The Park is a popular spot with a bay front location, athletic facilities, and wave pool that draws people from surrounding cities.

The City plans to spend \$2 - \$3 million constructing a 33-acre sports complex on Canada Road. The park will include ten baseball diamonds, and has the potential to attract games and tournaments from across the Houston area.

La Porte's improved trail system is currently in the works. In 2009, the City will let a \$1.8 million contract to construct a 5.2 mile paved pedestrian and bicycle trail that connects Pasadena to La Porte. In the next few years, the Port of Houston will be building bike paths along the waterfront through Morgan's Point. This creates an opportunity to extend the pathway through to Sylvan Beach, Little Cedar Bayou, Park and the Houston Yacht Club.



Longer term, the City envisions the trail connecting the junior high and high schools to the waterfront.

Lowmax Arena represents another asset in the City of La Porte's recreational amenities. The facility, built in the early 1990s, hosts 4H club activities, equestrian events, barrel racing and team roping competitions. It is open for free riding on unscheduled days. Recently, the City installed lighting in the Arena.

Weaknesses

Physical Appearance

According to the Forward La Porte survey, 60.7 percent of residents are not satisfied with the city's physical appearance. In addition, when asked what the City's top economic development priorities should be, beautifying the city's appearance received the highest percentage of responses.



Sales Tax Leakage

La Porte is severely underserved when it comes to retail opportunities and is not capturing its full share of resident spending. During interviews and surveys conducted for this strategic planning process, many residents complained about the lack of retail shopping options within La Porte. Data supports this belief. The city's retail sales are far below that of neighboring communities. In 2007, La Porte registered \$1,850 taxable retail sales per capita contrasted against \$7,024 in Baytown, \$4,220 in Deer Park, and \$4,561 in Texas City.

A shortage of retail sales has important implications for La Porte's tax base. Almost one-half of the city's revenue comes from industrial payments and property taxes. While a steady base of industrial tax revenue is positive for the City's general fund, supplemental retail sale taxes would help balance La Porte's revenue against industry downturn.

The current economic recession has slowed retail expansion, and several major retailers have declared bankruptcy. This provides La Porte time to prepare for retail development and refine its recruitment strategy.

Disconnected Main Street and Bay Front

La Porte's historic Main Street and Sylvan Beach Park are top strengths. Although Sylvan Beach is located less than one mile from the five points intersection, there is currently no pathway, signage, branding, or clear transportation route connecting the two.

According to Emma Foxworth's book *"The Romance of Old Sylvan Beach,"* in the late 19th Century "board walks were built from the bayshore area to Main Street almost a mile away so that local people could have access to the picnic grounds and hotel without getting their high top shoes and long skirts muddy. Wooden planks served as sidewalks for many years in new towns."

Intra-City Communication

Interviews and resident surveys revealed a degree of misinformation among residents about the City's activities. In some cases, residents were simply unaware of positive things that the City is doing. In

other instances, residents felt frustrated about situations that the City is actively remedying. Improved communication between the City government and local residents would be beneficial.

Limited Undeveloped Land

Redevelopment opportunities abound in La Porte, but greenfield sites available for new construction are limited. Although retail is a target of economic development efforts, the city's only major swaths of land that could be suitable for large-scale retail development are the Lakes of Fairmont Green and the Preserve at Taylor Lake properties.

Economic Diversification

Fifty percent of La Porte jobs are in the manufacturing and construction sectors, as opposed to 14 percent for the state of Texas. Industry presence is an important strength of the city, but the lack of economic diversification is a weakness and potential threat to sustaining long-term economic health. Given the heavy concentration of manufacturing and construction firms in La Porte, it is important to diversify the city's employment base to limit the effects of a downturn in these two sectors. Therefore, future economic development recruitment strategies should link the skills set of current La Porte residents with industry targets.

The heavy concentration of manufacturing and construction jobs does not mean that a similar portion of residents work in those fields. Only 11 percent of La Porte's labor force actually works in the city. One quarter of residents are employed in the education, retail, and healthcare sectors. Over the long-term, filling retail trade gaps and expanding tourism-related activity should help diversify the local economy and benefit residents by providing employment opportunities closer to home.

Opportunities

Downtown Redevelopment

The Forward La Porte survey revealed that residents consider downtown revitalization to be one of the city's top three economic development priorities. The gateway and five points plaza projects are a positive start, "bookending" a redevelopment opportunity along Main Street. The recently approved façade grant program is another step in the right direction. The program covers 50 percent of costs of façade improvements up to \$50,000.



Opportunities

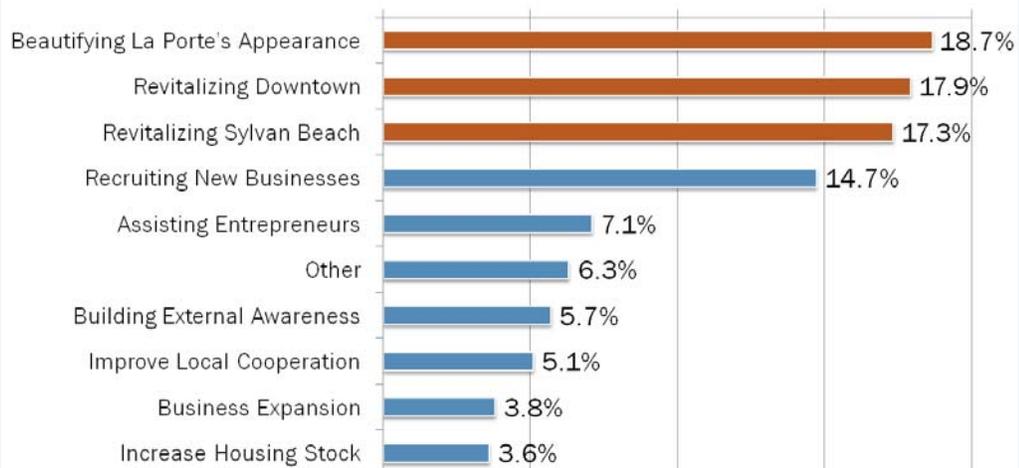
The City of La Porte has a tremendous opportunity to further ramp up the redevelopment of the Main Street District. A healthy downtown is critically important to the city's ability to attract tourists and retailers.

Sylvan Beach Improvement

Sylvan Beach is La Porte's historic cornerstone and is a truly unique asset. Although community opinion varies about what exactly to do with the Pavilion building, but one desire is pervasive across all residents: Sylvan Beach improvement is a priority. The City's first steps are to restore and erosion-proof the beach. The State provided La Porte \$3.5 million for the project. When complete, La Porte will have a 1,000-foot sand beach.

Within the year, Harris County is expected to deliver its assessment of the Sylvan Beach

What are the city's top three economic development priorities?



Pavilion building. The City's course of action in part depends on the County's report. Other factors are at play in the decision as well, and there are both pros and cons of remodeling the current building. On one hand, La Porte has a shortage

of event and meeting space. The Pavilion has historic and emotional significance to La Porte, and its mid-century architecture is interesting. On the other hand, however, the Pavilion costs the City of La Porte around \$50,000 each year to maintain. It suffered significant hurricane damage that will be costly to repair, and the space itself would require reconfiguring if it were to function as an event center. Either way, successful improvement of Sylvan Beach hinges on setting a firm direction on the fate of the Pavilion and acting on it in a timely manner.



Another opportunity related to the improvement of Sylvan Beach is the reconstruction of the pier. Badly damaged by hurricane Ike, the City has an opportunity to either rebuild the pier in its current location or move the pier to the north end of the park so that the sand beach can be contiguous. Although approval for moving the pier adds time to the process, it could be a worthwhile step on behalf of the long-term appearance of the park.

Beautification

Improving the city's physical appearance is a priority of La Porte's residents and represents an opportunity for the City. Beautification initiatives are a visible representation of the City's commitment to meeting residents' needs. Like downtown and Sylvan Beach improvement, beautification will enhance the city's ability to attract tourists, retailers, and new residents.

"Beautification" encapsulates a variety of activities from garbage removal to code enforcement, landscaping, public art, and building design. The initiative should begin with the City's own buildings and properties. Encourage residents to pay attention to quality by ensuring that City-owned spaces are attractive.

Attracting Tourists

From its earliest days, La Porte was destined to attract tourists. The name "La Porte" itself is French for "the door," and the name was chosen in the 1800s as a welcome to visitors. During the 1920s and 1930s, Sylvan Beach rose to national prominence as a vogue vacation spot. The growth of the oil and gas industry in La Porte was accompanied in-step by a decline

in the tourism industry. Now nearly a century after the hey days of Sylvan Beach, the City of La Porte once again seeks to roll out its welcome mat.

Tourism represents an opportunity for La Porte to diversify its economy, but it will not reach its full potential unless the City invests in beatification, downtown revitalization, and Sylvan Beach improvements.

Attracting a cruise ship carrier to neighboring Barbour's Cut or Bayport Terminals would be a significant boost tourism growth, but not critical to success. Day travelers and overnight travelers coming from the Greater Houston and beyond represent enormous potential as well. Good highway access and the La Porte Municipal Airport make it easy for travelers to get to the city. According to Travel Industry America, weekend travel is increasing in popularity, and the number of vacations lasting one week or longer is diminishing. More than 50% of American adults take at least one weekend trip each year, and 30% take five or more weekend trips. Many weekend trips are planned less than two weeks before travel. Cities and small towns are top weekend destinations (30%), followed by beaches (16%), mountains (10%), lakes (4%) and amusement parks (3%).

Retail Readiness

As described in the "Weaknesses" section of this report, La Porte generates less than one-half of per capita retail spending compared to other cities in the area. Attracting retailers to the city is an opportunity.

Setting retail as an economic development target is a tricky proposition. Most national and regional retailers have sophisticated models to determine the location of new stores. Population numbers are key drivers in the decision-making process.

This does not rule out La Porte for future retail growth. Rather than launching an external marketing effort to recruit retailers, La Porte should utilize its time and energy making sure retailers have a site to build on should they choose to locate in the city. Another opportunity is to offer local residents a good level of support for starting their own businesses. Locally-grown, niche retail will be a good complement to downtown revitalization.

Threats

Truck Traffic

The success of the positive quality of life opportunities in La Porte could be threatened should industry and port-related truck traffic continue to heighten. Although a necessary part of commerce, safety and environmental issues related to truck traffic are of serious concern to local residents. To remedy, the City needs to actively plan for roadway improvements and truck routing away from lifestyle and tourism amenities.

Oil and Gas Industry Downturn

As described in the “Weaknesses” section of this report, La Porte’s concentration of industry closely ties the city’s economy to the ebb and flow of the oil and gas industry. This poses a potential threat to the community that can be addressed by attracting a more diverse economic mix into the community.

External Perception

What do outsiders think about La Porte? According to the Forward La Porte survey, a portion of local residents believes that La Porte has a poor reputation. A negative external perception threatens La Porte’s ability to attract new residents, businesses, and tourists.

Changing an external image starts at home. Internally, how do residents talk about the city? Word-of-mouth impressions quickly spread outside of a community. How does the city appear to people driving through La Porte? A clean, consistent appearance speaks volumes about the quality of a city.

Flooding

When asked what residents would say is La Porte’s number one priority, several interviewees replied, “flood prevention.” Perhaps Hurricane Ike’s recent



Threats

What is La Porte’s single greatest weakness?

<u>Topic</u>	<u>Responses</u>
Balancing growth / preserving city’s character	63
Appearance of the city	60
<i>Appearance of Main Street, specifically</i>	15
New business attraction, retail and entertainment	47
Petrochemical and port industries	39
<i>Pollution related to industry, specifically</i>	12
<i>Traffic related to industry, specifically</i>	13
External perception / reputation	17
Local politics / status quo thinking	13
Flooding / hurricanes	8

Source: Forward La Porte public survey, January 2009



damage influenced the comment, but it is an accurate assessment. Hurricanes are a fact of life for Gulf Coast communities, and the damage they cause pose a threat to community improvements.

Growth Management

One of La Porte’s greatest challenges will be to manage growth in a way that preserves the city’s character and authenticity. The Forward La Porte survey revealed that residents believe growth management is the community’s greatest weakness. The petrochemical industry will continue to expand in La Porte, and both port terminals will continue to up traffic volumes. Developing and committing to a master plan is critical to ensuring that this growth does not threaten the City’s quality of life.

Target Audiences

As the SWOT Analysis indicates, La Porte is in a unique position relative to other cities. Most economic development initiatives happening in the U.S. today concentrate on recruiting high wage, high capital investment businesses into their communities. La Porte's enviable position is that it has a wealth of these employers already.

Instead, the focus of economic development in La Porte is quality of life. Its audiences are individuals and businesses that enhance the city's livability and are attracted to La Porte's unique amenities. They include:

- **Tourists.** La Porte should focus on attracting day visitors from the Greater Houston area. A cruise ship line docked at Barbour's Cut or Bayport opens opportunity to target individuals traveling from other parts of Texas and neighboring states. These individuals might stay overnight in the area before or after their cruise.
- **Retailers.** "Build it and they will come," should be La Porte's motto for recruiting retailers into the city. Ensure that the city has the appropriate infrastructure and policies in place to attract retailers. Big retail chains and developments will require a sizable, shovel-ready property. Niche retailers, such as the type that would locate in the Main Street District or neighborhood centers, need attractive space, quality control, and assurance of adequate local demand.
- **Hospitality Businesses.** As La Porte invests in its tourism amenities, hospitality businesses become a natural target. Full service restaurants are a prime target immediately. Long-term, small grocers, wellness businesses, art studios, and bed and breakfasts will fit well in La Porte. The City might even consider recruiting a hospitality-training academy as an anchor for this sector.
- **Real Estate Developers.** Several of the larger projects under consideration by the city should involve a real estate development company.

La Porte's Economic Development Strategy will contain specific recommendations on what the City should do to prepare for and market to the above audiences.



Chapter 3: Strategic Plan

**ECONOMIC DEVELOPMENT STRATEGIC PLAN
CITY OF LA PORTE, TEXAS**

May 2009



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Members of the Steering Committee included:

Stephen Barr – Parks and Recreation Manager, City of La Porte
Ron Bottoms – City Manager, City of La Porte
Martha Gillett – City Secretary, City of La Porte
Karen Gregory – Economic Development Director, CenterPoint Energy
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Debbie Westbeld – Economic Development Coordinator, City of La Porte

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Katherine Aguilar, Resident	Ronda Lunsford, Main Street Advisory Board
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Introduction

The economic development environment facing the City of La Porte and other Texas communities has changed significantly over the past twenty years. Economic development was once largely about corporate relocation and expansion, with cost considerations the driving force and the competition almost entirely domestic. Today, while competition from other communities has never been fiercer, there a variety of additional considerations shaping the overall competitive landscape. These factors include, but are not limited to: the influence that quality of place has on economic growth; the emerging role of the “creative class;” the convergence of retail, tourism, entrepreneurship, and industry in economic development planning; and globalization.

La Porte has long been a center of commerce and industry, and its bayside location has attracted residents seeking a coastal lifestyle. The desire to refresh the city’s appearance, build on its core assets, and continue to increase leisure opportunities inspired this economic development strategy. Local leaders recognize that quality of life is critical to helping local businesses and residents thrive.

La Porte is home to many unique assets. Currently, some of those assets are not well linked or leveraged. Better connecting La Porte’s historic downtown district, the renaissance of Sylvan Beach, and diversifying residents’ leisure and job options can transform La Porte into one of the most desired destinations in the Greater Houston Area.

Success is dependent on a well executed planning effort that can be implemented and sustained long into the future.

Planning Process

Crafting La Porte’s economic development strategy involved large-scale community input. Through the course of this project, the consulting team interviewed 42 local leaders and surveyed more than 300 residents. Their input, combined with economic research, formed the platform on which the goals and recommendations in this plan were founded.

The six-month planning process began in November 2008. Prior to this document, the consulting team provided city leaders with two reports that form the initial chapters of the strategy: a Community Assessment Report and a SWOT Analysis / Target Audience Report. Both reports were presented to the Steering Committee for review and finalized based on their comments.

This final chapter of the strategy contains two sections. The first is a review of the City’s community development policies. The second contains La Porte’s economic development mission, vision, goals, and strategies. It is accompanied by an implementation calendar, estimated budget, and performance metrics.

Section 1: Community Development Policy Review

La Porte's New Opportunity – Place-Based Economic Development

The Greater Downtown of La Porte offers a unique opportunity to link multiple destinations that serve a broad market. The prospects to grow synergistically two different kinds of retail markets (destination and local service), a tourism base and downtown living can establish La Porte as one of the best places in the Houston Region to live and visit.

Sustainable development today means harnessing and coordinating real estate development, architecture, urban planning and public-private partnerships. The nature of economic development has changed, necessitating a review of current land use planning practices. Not so long ago, economic development was mostly focused on recruiting businesses to locate in your community. That is still important. But today, economic development has become firmly connected to place and the environment.

“Quality of life” was once just a buzzword used as the calling card of the local neighborhood activist. As measured by the quality of our neighborhoods, our cities and our regions, quality of life has now become a bottom-line factor for many business decisions. Why? Business decisions continue to be driven by competition. And competition is more and more about recruiting the best talent—people who have the luxury of living and working wherever they desire. Accordingly, attracting the best and the brightest means that companies must also provide access to an attractive quality of life in addition to merely providing competitive compensation.

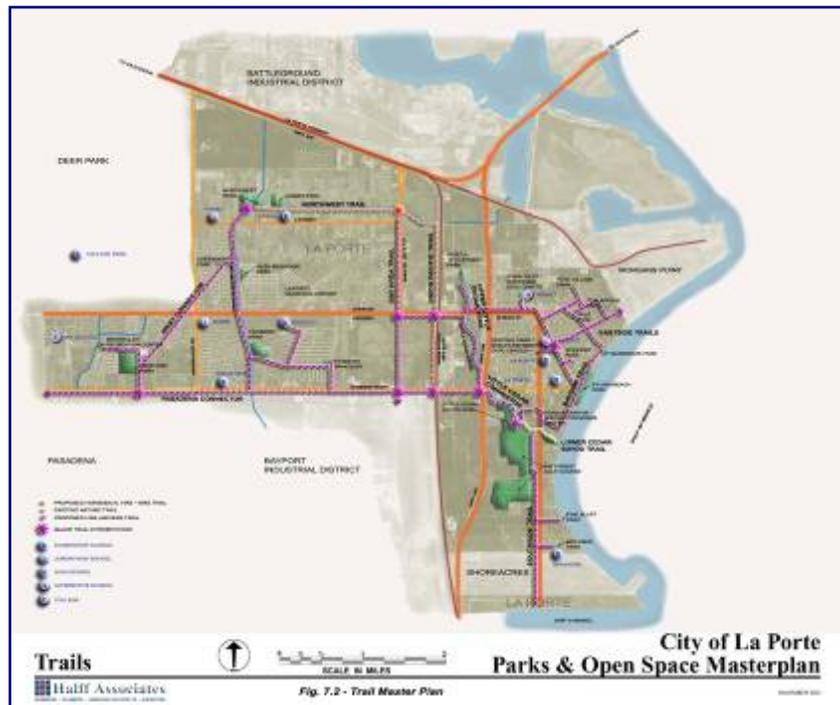
Similarly, tourism has become a growing part of the economy, especially for those communities that can harness historical, local assets such as Sylvan Beach. The tendency towards more local spending because of the economy—rather than longer trips, and La Porte's location in the Greater Houston Region, position La Porte to draw tourists out of its own community and from those living within the larger region. This strategy takes advantage of the fact that economic development now is inextricably tied to sustaining quality of life, fundamentally creating the concept of sustainable economic development.

A planning approach that takes advantage of this opportunity is the New Urbanism. The goal of New Urbanism is to remarry real estate development, architecture and urban planning. New Urban projects can include downtown redevelopment, infill and large-scale new growth in suburban greenfield locations. Based on time-tested neighborhood design principles, the New Urban approach to growth and development gained some traction in 1991. That year, the Local Government Commission, a California-based non-profit promoting healthy, walkable and resource-efficient communities, invited a group of urban architects to develop a policy for planning sustainable communities.

Named the “Ahwahnee Principles” after the location of their formal presentation to a group of public officials, these Principles include the supposition that “planning [should] form complete and integrated communities containing housing, shops, work places, schools, parks and civic facilities essential to the daily life of the residents.” The Principles also call for a diversity of housing types and transportation options within each neighborhood. The environment plays a central role, too, as the Principles call for respect for the natural site conditions and the environmental resources of areas to be developed. At the regional level, the Principles call for connected greenbelts, the locating of civic infrastructure in downtowns as well as transportation networks built around both roads and transit. In terms of implementation, the document calls for comprehensive planning that is community-based.

These principles provide support for the strategy of Sustainable Economic Development for La Porte:

- Main Street is positioned to provide a community gathering place to anchor expanding residential urban living in the Greater Downtown.
- Downtown La Porte has the opportunity to link this expanding opportunity for urban living to the natural assets of the area including the waterfront and the watershed corridors, providing natural linkages for the planned system of trails that in turn will enhance the ability to attract and sustain high quality downtown neighborhoods.



- This sustained living environment will then make service retail for tourists and neighborhoods more viable on Main Street and on key locations on Fairmont Parkway, providing a competitive advantage to attract even higher potential destination retail at SH 146

The “new” in the New Urbanism is really just a new appreciation for more sustainable approaches to planning and development recognized by prescient leaders of earlier generations. Developer J.C. Nichols, a founding member of the Urban Land Institute (ULI), was one of them. Wayne Nichols, grandson of J.C. Nichols, says that the goal of his grandfather and his peers in planning “was to create beautiful communities—not subdivisions, not shopping centers—but long-term, integrated planned communities. They saw themselves as building human environments.

Today, Nichols’ strategies are used by those of us in town planning who recognize that place-making is the new frontline of economic development. When combined with the New Urbanism, the Community Builders’ approach creates opportunities for real estate value capture. Critical to sustaining all business, value capture is fundamental to economic development.

In the context of town planning and development, value capture recognizes that with each infrastructure investment some marginal improvement or marginal decline occurs in the value of the surrounding land. A second form of value capture recognizes that planning and implementing development under the same vision and set of rules over multiple parcels creates adjacency predictability and thus increasing value. This additional value created in terms of property tax revenue and sales tax revenue can then be captured through an expanded Tax Increment Financing District (TIF), empowerment zone, chapter 380, or other vehicles to provide sustainable funding streams for capitalizing and maintaining the needed infrastructure for Greater Downtown La Porte.

The utilization of an enhanced, well funded infrastructure system for Greater Downtown will provide the basis for linking the key opportunities and destinations. In this context, it is critical that the street network for Greater Downtown makes it convenient and inviting for people to walk from destination to destination. The power of linking the Main Street Gateway, Five-Points, Sylvan Beach and the emerging retail at SH 146 and Fairmont will provide economic and market leveraging necessary to create increases in tax base to energize value capture for infrastructure.

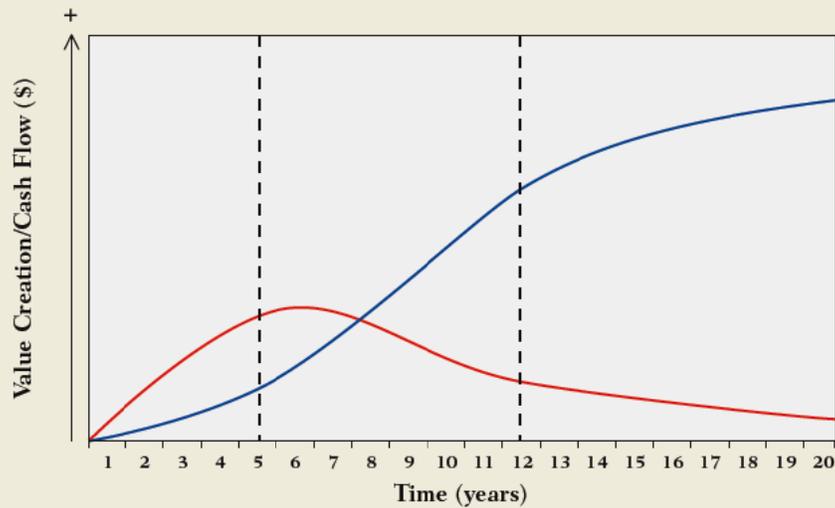


A key link that can be facilitated by tax base value capture will be reinventing San Jacinto Boulevard. Reinventing the street as a safe, inviting pedestrian corridor will bring the emerging trail system to and from Sylvan Beach directly to the Main Street Corridor. The right-of-way of San Jacinto and the predominance of public ownership of adjacent parcels on the west side of the road can accommodate a dedicated trail as part of a reinvented cross-section.



The key to value capture to support enhanced street infrastructure and other needed public amenities will be the creation of a *de facto* master developer environment across multiple parcels controlled by different owners within a given area. This *de facto* master developer environment is why downtowns create and sustain value over time. The chart below shows the difference between conventional single-use projects and development under value capture environments.

Figure 1. Financial Characteristics of Downtowns with Critical Mass (Blue) versus Suburban Development (Red)



Source: Christopher B. Leinberger, Arcadia Land Co. and Robert Charles Lesser & Co.

The term “suburban development” (the red line) does not refer to the “where” but to the “how,” in terms of the type of development. These projects are typically isolated and accessible only by driving to them, such as strip-commercial centers or single-use office complexes.

In this Team’s experience with town planning, we are finding that communities that both (i) leverage the infrastructure and transportation systems through value capture and (ii) use adjacency predictability through a *de facto* “master developer” environment are realizing value curves such as those depicted for downtowns (the blue line) in the chart above.

“Empty-nesters” and young professionals can become key market targets for this strategy. They tend to have more disposable income and put less pressure on the costs of serving communities in terms of kids, social services, etc.. Attracting and maintaining empty-nesters is like attracting tourists. Empty nesters like to spend money; and their children only visit, lessening burdens on the local schools. Moreover, both empty-nesters and young professionals like to live in smaller lot homes, townhomes and lofts. More dense in design, those residences tend to be much more efficient in terms of community services such as police, fire and the maintenance of utility systems. Accordingly, empty-nesters and young professionals are an important target market for any meaningful economic development strategy.

Communities that attract empty-nesters and young professionals are also attractive locations for corporate investment. People like “cool” communities. So if a suburban community can use good design and value capture to create great places to live and work, those communities will have a competitive advantage in attracting a class of “knowledge workers,” such as artists,

scientists and engineers, university professors and architects. This “creative class,” the term Richard Florida—who penned two national bestsellers, *The Rise of the Creative Class* and *The Flight of the Creative Class*—coined, are the intellectual assets of the new economy.

The mortgage crisis may be an early indication of why a New Urbanism strategy makes sense. Those communities that are not attractive to the broader market of living preferences are showing signs of potential long-term decline. In many locations around the country, those areas that offer only “cookie-cutter” housing (often times expensive, but homogenous) and only strip commercial at the major highway interchanges are facing higher foreclosure rates than mixed use centers and walkable downtowns. Accordingly, the key to La Porte sustaining its new economic development prospects will be a focus on the livability and sustainability of Greater Downtown.

The key here will be activating a vision for downtown that will be embraced effectively by the market under a master plan implemented through responsive city policies and regulations. Some of the current policies and regulations support the recommended place-based economic development strategy, while others do not.

Assessment of La Porte’s Comprehensive Plan and Regulations to Implement New Economic Development Plan

Generally, the Comprehensive Plan sets up support for the recommended place-based economic development strategy. The current code, however, would need to build on substantially the Main Street Overlay and Design Guidelines in order to implement walkable urbanism in Greater Downtown, the key to the initiative.

La Porte’s Comprehensive Plan provides support for the sustainable economic development strategy recommended herein. The City’s pronouncement of the following principle sets the stage:

“We have the ability and the resources to shape a more positive future. We do not have to accept a declining quality of life. By planning for the future and involving the entire community, we can maintain the qualities and make La Porte even better.”

The keys to utilizing walkable urbanism to anchor a new place-based economic development strategy are supported in the following comprehensive plan policies:

- “Encourage an active, vital downtown with a variety of uses” (Goal 4.4)
- “Provide an appropriate amount of land for various densities and types of residential uses and ensure the highest quality living environment” (Goal 4.5)
- “Develop a [pedestrian] network ... through the La Porte area, including an interconnected system of paths, trails, lanes and routes (Goal 7.7)

- “Meet the future housing needs in La Porte by providing for a variety of housing options” (Goal 9.2)
- “Preserve the integrity of existing neighborhoods and create livable and safe neighborhood environments” (Goal 9.6)
- “Stabilize and improve the quality of neighborhoods and other areas of decline by attracting renewed private investment activity.” (Goal 12.1)
- “Revitalize the City’s historic downtown area” (Goal 12.2)
- “Revise existing ordinances and adopt new ordinances as necessary to implement the La Porte 2020 Comprehensive Plan Update.” (Goal 13.5)

The select policies implicitly recognize that linking destinations and quality neighborhoods is necessary to sustain quality of life and to create the base for the recommended economic development strategy. However, the following policies set up a possible conflict in terms of being able to make it convenient by walking to link neighborhoods to improved downtown destinations.

- “Protect Neighborhoods from encroaching incompatible development” (Obj.9.6.d)
 - Amend the zoning ordinance to incorporate provisions regarding lot sizes, setbacks and buffering (Action 1)
 - Use the Land Use Plan to protect existing neighborhoods from adjacent incompatible land uses (Action 3)

These policies of buffering uses from neighborhoods are depicted in the following schematic.

Conventional Development

- single use pods of development
- buffers instead of transitions
- lack of a transportation network
- not pedestrian-friendly, so not transit-friendly
- narrowly stratified market
- planned obsolescence, so constructed accordingly
- scrape, rezone and sometimes re-subdivide to redevelop
- value drops when the intended use no longer viable



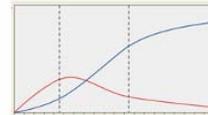
Specifically in regard to the Main Street and the Historic District east of Highway 146, the objective currently in the Comprehensive Plan of “neighborhood buffering” will make it difficult to implement good transitions to connect neighborhoods with high quality adjacent destinations.

A better strategy will be to revise the land use plan through the creation of a Comprehensive Master Plan for Greater Downtown and corresponding performance-based regulations to facilitate good pedestrian connections and transitions between neighborhoods and commercial areas. The key is to rely on quality pedestrian transitions between uses, not buffers. The resulting development will take on the following characteristics, placing Greater Downtown on the sustainable “blue” curve on the graph above.

Note that while this consistently holds true for La Porte’s downtown and historic area, neighborhood buffering may be desired for some residential developments located west of Highway 146. These homeowners will expect a degree of buffering between their houses and surrounding industrial or heavy commercial uses.

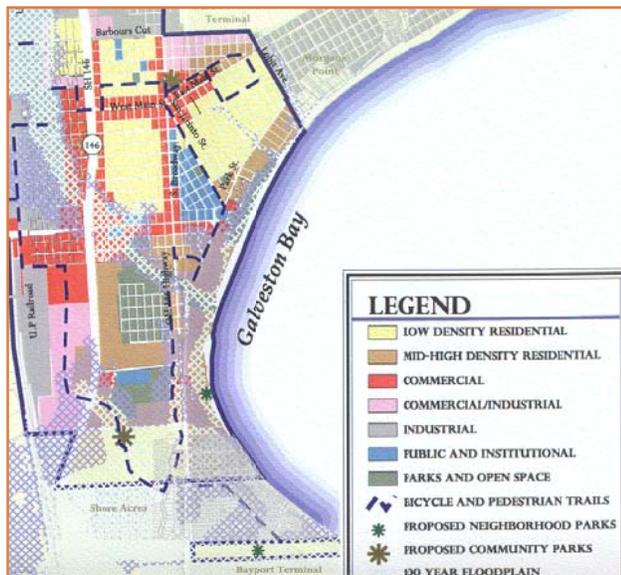
Neighborhood Development

- mixed use
- transitions instead of buffers
- a network of transportation, encouraging choice
- easy to walk
- broad market (age, socio-economic, race, lifestyle)
- planned to endure
- change of use often times instead of redeveloping
- value holds when the current use is no longer viable



Gateway
Planning Group

Additional policies make the development of a walkable linked downtown challenging. For example, the current land use plan does not provide for mixed use as indicated as critical to the strategy in the graphic above. Notwithstanding the Main Street Overlay, the current land use plan provides strictly for separated uses, again reinforcing the need for a new Master Plan for Greater Downtown.

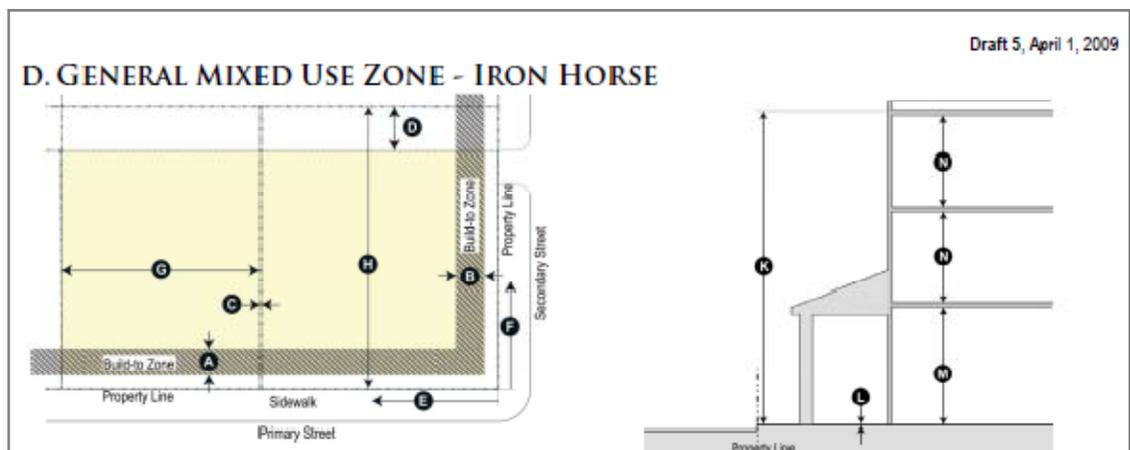


The new approach underlying the need for a new master plan is somewhat reflected in the Main Street Overlay and Design Guidelines. Those regulatory vehicles establish the following:

- Main Street Overlay
 - Allows mixed use: commercial and residential
 - Creates urban pedestrian environment through build-to lines
 - Substantially reduces off-street parking requirements
- Main Street Design Program
 - Establishes standards for awnings, signs and colors

Both of these regulations provide a good starting point. However, they both should be refined, and the reach of the intent of the overlay should be expanded as discussed above.

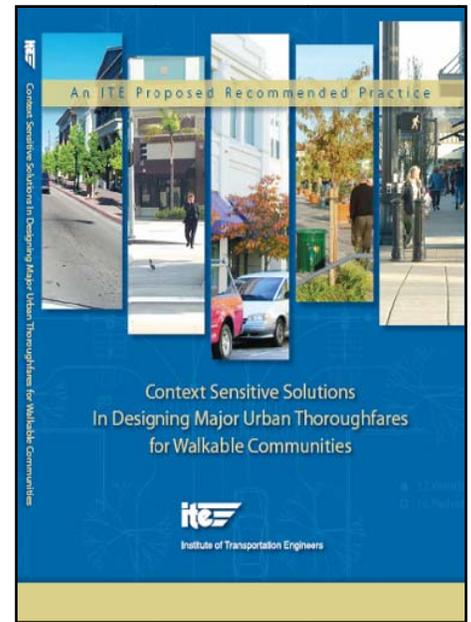
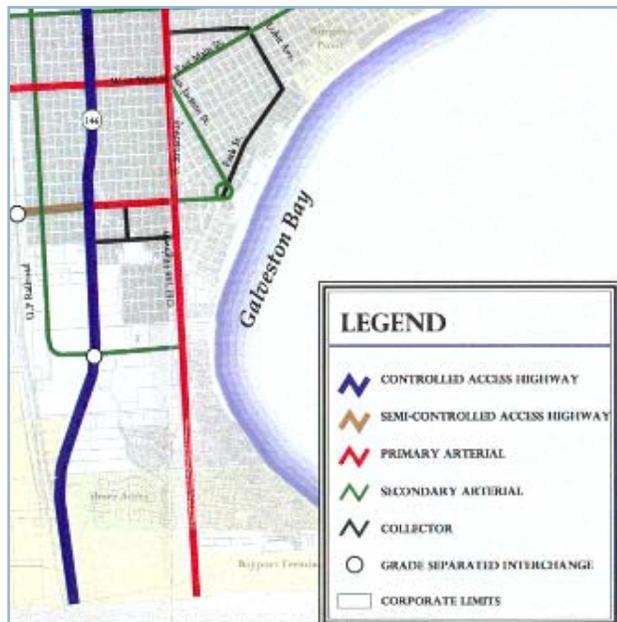
The Overlay supports mixed use, but it does not provide enough certainty of the form of the buildings and the transitions beyond Main Street. Similarly, the Design Standards provide aesthetic guidance such as color; but they do not provide enough guidance for architectural function such as storefront design and public space design. The key to creating a successful walkable Greater Downtown will be revising these standards to implement the recommended new comprehensive master plan for Greater Downtown with a higher level of detail that creates investment certainty from property to property and from street to street. See below for an example of the kind of regulatory performance-based approach that could take the initiative to the next level of quality development by providing more certainty of how buildings interact with public spaces for walkability and retail success.



A key to the success of Greater Downtown overall will be the proper design of streets so that they both support a well functioning street network for mobility; but so that they also complement walkable mixed use environments at the pedestrian-scale. The Comprehensive Plan policies support this approach:

- “Develop a [pedestrian] network ... through the La Porte area, including an interconnected system of paths, trails, lanes and routes (Goal 7.7)
- “Maximize network continuity to provide for the free flow of people....” (Obj. 5.2.d)
- “Provide a safe and effective means to accommodate pedestrian traffic and prioritize sidewalk improvement areas **based on type of street and adjacent land use** (Goal 5.7)

But the tools available in terms of support for streets design to accomplish these goals are in some sense in conflict with another comprehensive plan policy that states “[e]stablish a hierarchy of thoroughfare classifications that will provide for safe and convenient flow of traffic throughout the community” (Obj.9.6.d). The figure below shows the application of this policy of mobility to the street network of Greater Downtown. If the streets depicted below are designed strictly to move cars, they will not provide the kind of context that will support sustained investment in walkable urbanism, an underpinning of the place-based economic development recommendation herein.



The potential refinement of the cross-sections implementing the thoroughfare plan, with the guidance of the new Manual for Walkable Urban Thoroughfares by the Institute for Transportation Engineers (ITE), will enable the effective marriage of the mobility needs of the



network and the adjacent land uses in Greater Downtown. Adopting these design practices will further support La Porte's new place-based economic development strategy.

Section 2: Strategic Plan

This strategy was designed to address what is needed to generate sustained prosperity for La Porte through economic diversification and improvements in quality of life.

Core Themes

During the planning process, a number of themes emerged from discussions with stakeholders, economic analysis, input obtained from the community survey, and the SWOT analysis. Avalanche has grouped these major themes into broad categories that capture the essence of where the City of La Porte should focus its economic development energy in the coming years.

- Over half the employment base in La Porte (51.9%) is in the production sectors of manufacturing and construction, a much greater concentration than neighboring communities, Houston (17.2%), and the state as a whole (15.9%). La Porte's proximity to the Port of Houston and transportation infrastructure should enable future growth in the warehousing sector as well. While these sectors provide some counter-cyclical benefit, little new job growth is expected in the near future.
- La Porte's location within Greater Houston is a blessing, and Houston area residents should be a primary target audience for economic development. By the same token, La Porte has a number of unique assets (such as Sylvan Beach) that help it stand out within the region and the state.
- The community appears primed to support economic development. When asked as part of the community survey if they supported the statement that economic development success is defined as "Enhanced prosperity and quality of life for La Porte," 4 out of 5 respondents said "yes."
- Unlike some communities that are struggling to revive their economies, La Porte is in an enviable position. A strong industrial base generates jobs and healthy tax revenue for the city. Despite recent fluctuations, the oil and gas sector will remain the dominant force in the La Porte economy. The challenge is to diversify in order to maximize the community's economic potential.
- Downtown is a priority for near-term action. The downtown area has the potential to be a focal point for the community, both in terms of the day-to-day lives of local residents and as a significant element of the attractions that make La Porte appealing to both tourists and those relocating to the area.
- Expanding the recreational and retail capacity of the community will serve both residents and tourists. In La Porte, entertainment, retail trade, and enhanced tourism amenities are valid targets for economic development. As an example, a destination

retail/entertainment project not only attracts regional shoppers, but also helps stop retail leakage to neighboring communities.

La Porte's Economic Development Mission and Vision

A mission statement describes what the Economic Development Corporation is charged with doing throughout the duration of its existence.

The mission of the La Porte Economic Development Corporation is to plan, provide, and promote economic development in the city of La Porte, Texas.

A vision statement describes what the city of La Porte will look like in 20+ years from now as a result of the City's economic development activities.

A doorway of commerce for the nation, La Porte, Texas, is a vibrant, historic city that offers a diversity of economic opportunity and a healthy coastal lifestyle for residents and visitors alike.

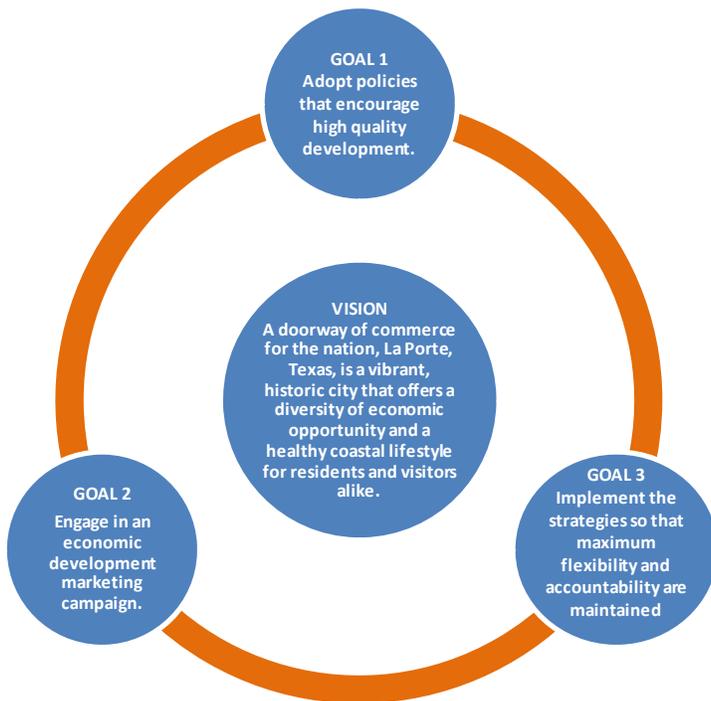
Mission and vision statements serve as the cornerstone of an economic development strategy. All goals and tactics contained within the plan support the overarching vision of the city.

La Porte's Economic Development Goals

Avalanche Consulting created three goals that are critical to La Porte's ability to succeed in economic development and that move the city forward toward accomplishing its vision. These goals are both attainable (reachable outcomes that will require commitment) and sustainable (consistent with the long-term economic growth that does not harm the community's unique character).

- Goal 1 – Adopt policies that encourage high quality development.
- Goal 2 – Engage in an economic development marketing campaign that increases awareness and perception of La Porte to residents and the outside world.

- Goal 3 – Implement the strategies in such as way that maximum flexibility and accountability are maintained.



GOAL 1.0:

Adopt policies that encourage high quality development.

To provide a more competitive environment to recruit new businesses, to increase tourism, to create a more attractive retail context and to expand the residential market in terms of variety and quality of housing types, the Consultant Team recommends the following package of steps to implement the place-based aspects of this new strategy:

Strategy 1.1 - Develop a Comprehensive Master Plan for Greater Downtown that links key destinations and neighborhoods.

A master plan is the business plan of a particular focus point within a community such as a downtown. City policy has been calling for a downtown master plan, understanding that the real potential of La Porte cannot be realized ad hoc. A downtown master plan must be seen not only as a planning tool that harnesses a vision to the opportunities at the street, block and building level; but also, the master plan becomes the policy framework going forward for a host of related issues such as infrastructure phasing, connecting key destinations, supporting catalytic projects and determining how best to invest the public-sector's limited resources. In short, the master plan becomes the basis for creating and sustaining economic investment in the context of creating a great place for people to live, work, visit, shop and play in Greater Downtown La Porte.

The basic steps of the kind of master plan that is needed to realize the vision of downtown's renaissance includes the following:

- Creating a block, street, public space and building level scale plan that respects and builds upon the existing fabric of downtown;
- Creating a revised street network concept that balances pedestrian-scale development with good local access and regional mobility;
- Identified catalytic development projects in the context of the master plan framework, including an integrated mixed use strategy to link the Sylvan Beach Park Plan with the remainder of downtown;
- Undertake a fiscal impact analysis of the tax base impacts to determine the level of public revenue that would be realized over time;
- Develop a priority and phasing plan for infrastructure; and

- Develop select renderings of key catalytic projects to provide a means to communicate effectively the goals of the master plan to the community, developers and future members of the City Council.

All of these steps would be taken in the context of an integrated public process.

Based on our evaluation of La Porte's assets and opportunities, as well as our review of current development policies, we strongly recommend that the Master Plan reflect the following direction:

- Develop and implement performance-based development standards beyond the Main Street Overlay and Design Guidelines to implement the new Master Plan, including refinement of street cross-sections to accommodate walkable urbanism.
- Increase the boundaries of the TIF beyond the limited street rights-of-way within Greater Downtown to capture more value for needed infrastructure improvements for downtown.
- Reinvent San Jacinto as a walkable corridor with a trail to extend the reach of Main Street conveniently to Sylvan Beach.
- Create a partnership with the Harris County to make the Sylvan Beach Park a true mixed use tourist destination, building on the impending investment in the Park.
- Consider Fairmont Parkway as a means to bring the reach of future destination retail at the SH 146 Interchange into downtown towards (i) the intersection of Broadway and over to (ii) Sylvan Beach.
- Preserve Broadway as a key connector street between the emerging gravity of Main Street and the reinvention of Fairmont Parkway.

Strategy 1.2: Prepare the City for retail development.

The key to aggregating land is to make protective acquisitions in the context of potential land swaps, infrastructure coordination and potential city-initiated rezoning to protect long-term destination retail opportunities.

**Retail Development:
Main Street and Fairmont**

Fairmont developed as the new location for the relocation of some key destinations that once were anchors for Main Street, the seat of government, the post office, etc. In addition, new retail sprung up on Fairmont, while Main Street's declined. Today, La Porte has the opportunity to have complementary retail in both locations. Main Street offers a place well suited for entertainment, fine dining, neighborhood cafes and boutique shopping. On the other hand, Fairmont has developed as a place for auto-oriented retail that is not necessarily a good fit for the pedestrian and tourist-focus emerging on Main Street. The two can become a symbiotic opportunity to offer the full range of retail needed to make any livable downtown a success.

Strategy 1.3: Ensure that the City has appropriate tools to finance and incentivize quality economic development.

Tactic 1.3.1: Adopt incentive policy guidelines that are competitive with other regions while protecting the tax base.

Before offering a prospect an incentive package, La Porte should conduct a cost-benefit analysis to determine the potential value of the project to the community. As part of this process, La Porte should be able to answer a number of general questions about each project:

- Would this project happen absent the provision of incentives?
- What is the opportunity cost of the incentive (in other words, what alternative uses of these resources are foregone by supporting this project)?
- How much economic activity will occur because of the project?
- What is the total present value of the incentive package?
- How much will it cost the city to adequately service (e.g., utilities, public safety, etc.) the project during its construction and operational phases?
- What will be the environmental impact?
- What return can government expect in terms of tax revenues from the project?

Beyond the questions outlined above, La Porte should consider adopting the following policy guidelines.

Policy Guideline #1:

Benefits should exceed costs, even after incentives are granted. Except in extraordinary situations, the public sector should not be willing to “go upside down,” meaning that tax revenues must exceed public sector costs.

This may appear obvious, but many communities do not accomplish this goal because they do not correctly measure the costs and benefits. For other communities, the challenge is to balance immediate jobs creation with long-term tax revenue required to provide city services. La Porte is in a unique position because of its large industrial districts and high percentage of workers who commute to the area for work. For La Porte, what counts as success is linked more closely with quality of life projects rather than strictly job creation. This translates into La Porte being more selective about which projects to incentivize.

The success measures for La Porte should focus on:

1. Total tax revenue generated, with emphasis on sales tax revenue
2. Industry sector diversification (retail trade or business/professional service firms)
3. Geographic location within La Porte

Evaluation Framework

Based on discussions with local economic development stakeholders and professional expertise and experience, the project team has created a preliminary framework (Scoring System) by which La Porte can assess the impact of future projects. This process not only allows evaluation of projects, but also provides guidance on the level of incentives that the community might ultimately offer. Our approach strives to offer competitive incentives to important projects while protecting the community's unique position and cultural heritage.

The Scoring System is an approach that uses points for each of the major criteria discussed in the next section. This Scoring System evaluates both the traditional (economic impact) and non-traditional (quality of life) elements of the project. These point values are for illustration, and should be refined as La Porte sees fit.

Table 1: Preliminary Scoring System

Overall Economic and Fiscal Impact			
Minimal	Acceptable	Good	Excellent
0	10	20	30
Character of Jobs			
Poor/Minimal	Acceptable	Good	Excellent
0	10	15	20
Connection to Economic Development Focus Areas			
Unconnected	Acceptable	Good	Excellent
0	10	20	30
Additional Contribution to Community Vitality			
Minimal	Acceptable	Good	Excellent
0	10	15	20
Total Possible Points		100	
Bonus Points for Desired Development Location in Downtown/Sylvan Beach Corridor		15	

Policy Guideline #2

Projects with a score between 70-100 may qualify for return of up to 50% of the net present value of the estimated total tax liability, minus direct city and or county costs, for a term that may be as long as 10 years. Projects with a score between 50-70 may qualify for up to 30% of the net present value of the estimated total tax liability for a term that may be as long as 10 years. Projects that score 50 and below do not qualify. In addition, tax revenue returned will not exceed 80% of the total tax liability in any single year.

Scoring System Factors

Economic/Fiscal Impact and Character of the Jobs

La Porte's primary considerations when evaluating whether or not to offer an incentive package is the potential aggregate economic and fiscal impact on the community and the character of the jobs to be created. Standard questions asked when evaluating firm-based incentives requests may include:

- What is the absolute size of the net benefit (economic and fiscal)?
- Is the firm a headquarters operation? Does it represent the "headquarters" of a new product line/service for the firm?
- Is the firm growing? Is the firm in a growing industry? How stable is the firm?
- Does the project represent a significant enhancement of the local tax base over and above the economic impact (i.e., a new entertainment/lodging facility that can choose whether or not to locate in the city limits)?
- Will the project make a disproportionate demand on the community's environmental and infrastructure resources?

Policy Guideline #3:

Chapter 380 of the Texas Local Government Code, due to its flexibility and simplicity, is likely to be the preferred vehicle for any financial incentive agreement between La Porte and a potential recipient.

Within this structure, sales taxes, property taxes, and other fees paid by the company could be eligible to be included in the agreement, although all should be returned, rather than waived/abated. Property taxes can be an incentive for existing space as well. For end-user purchase, La Porte can offer to structure an agreement that returns, on a performance basis, the taxes that accrue based on the incremental growth of the property over time. The same process could be applied to end-user tenants, since commercial/industrial leases can be written as "triple net," where the tenant directly pays the cost of taxes, insurance, and utilities.

What this structure does is to insure that La Porte covers its costs before offering incentives, while essentially forgoing the right to use the "profit" from the firm to cross-subsidize residents (as with utilities, commercial property taxpayers tend to provide a disproportionate share of revenue). At the same time, the community (and the city) gain in a number of additional ways, such as economic activity in the form of jobs and spending plus additional tax revenues.

Policy Guideline #4:

Financial incentives should not be "front-loaded." Rather, the community should set an incentive policy based on returning taxes and/or fees paid by a company upon execution of a specific set of agreed-upon performance criteria between the applicant and the City.

Standard economic development practice has moved toward using performance-based standards to safeguard the public interest in incentive agreements. The extent of the incentive(s) to be offered could be a substantial percentage of the net gain to the community, as measured by the expected tax revenue gains minus direct costs, and the community should be aggressive in working with companies and projects that meet the criteria established. However, the return of these funds must be performance-based, and must occur after the funds have been paid initially to the City.

Policy Guideline #5:

La Porte should reserve the right to craft a unique incentive package in the case of extraordinary opportunities for economic development in La Porte. These may include cases with: 1) exceptionally high levels of economic impact as measured by investment, jobs, or tax revenue; or, 2) opportunities to leverage significant funds from other public sector jurisdictions, for example federal or state sources.

Inevitably, there will be situations that should be exceptions to the policy guidelines outlined above. This guideline provides some indication about the conditions under which an exception should be made, and acknowledges that overall policy must be flexible.

The Appendix of this report contains an example of an incentive policy in action.

Tactic 1.3.2: Create specific incentive strategies for Sylvan Beach, Main Street, and a new retail center.

These three areas of focus likely will each require additional elements beyond those outlined in the incentive policy above. For example, Harris County is a significant stakeholder in Sylvan Beach, and policy & plans for its redevelopment and/or reuse should reflect their cooperation and participation. Some tools that could facilitate the revitalization of Main Street and the development of the retail site(s) are already in place (such as the TIRZ). These may need to be modified or augmented (through boundary expansion, regulatory reform, etc.)

GOAL 2.0:

Launch a coordinated economic development marketing campaign that increases awareness and perception of the community to the outside world.

Economic development entails both capacity building and marketing. Capacity building improves a community's readiness for its target audiences. As addressed in Goal 1, master planning and changes to City policies will greatly contribute to La Porte's capacity for economic development.

Marketing alerts a community's target audiences of a city's interest in them and its ability to serve their needs. The mix of audiences vary from city to city. Many traditional economic development programs market to industry, encouraging those businesses to relocate or expand into the city. In La Porte's case, local industry is strongly dominant. The community has overwhelmingly stated its desire for economic development to prioritize quality of life enhancements, specifically in four areas:

1. **Beautification**
2. **Downtown**
3. **Sylvan Beach**
4. **Retail**

La Porte's marketing audiences are those that will complement these objectives and be attracted to the city as a result. As discussed in *Chapter 2: SWOT and Target Audiences*, Avalanche Consulting highly recommends the following four targets:

- **Tourists.** La Porte should focus on attracting day visitors from the Greater Houston area.
- **Hospitality Businesses.** As La Porte invests in its tourism amenities, hospitality businesses become a natural target. Full service restaurants are a prime target immediately. Long-term, small grocers, wellness businesses, art studios, and bed and breakfasts will fit well in La Porte.
- **Real Estate Developers.** Several of the larger projects under consideration by the city should involve a real estate development company.
- **Retailers.** Ensure that the city has the appropriate infrastructure and policies in place to attract retailers. Big retail centers will require a sizable, shovel-ready property. Niche retailers, such as the type that would locate in the Main Street District, along Fairmont, or in neighborhood centers, need attractive space, quality control, and assurance of adequate local demand.

In addition, the City should also remember that La Porte's residents and businesses are also audiences for the economic development campaign.

In this strategy, marketing recommendations are organized within two topics. The first topic, “external marketing,” provides recommendations related to La Porte’s push to draw its target audiences into the city. The second topic, “internal marketing,” offers the City and its partners recommendations for bolstering collaboration and building widespread community awareness of positive development.

Accomplishing this goal will require participation and support of many organizations in La Porte in addition to City government. Within each strategy, Avalanche Consulting has listed tactics required for implementation.

Strategy 2.1: Organize and launch an external marketing campaign.

Tactic 2.1.1: Develop and adopt a marketing plan based on the recommendations of this Strategic Plan.

The City’s marketing capacity must improve if it is to achieve its long term vision. The purpose of Goal 2 is to provide **La Porte with a framework for engaging in an economic development marketing campaign.** The following tactics outline the core principles of the marketing plan.

Tactic 2.1.2: Brand and market the downtown district.

In concert with the Master Plan, the City should package the entire downtown district within a single brand identity. Naming the area will go a long way toward creating a sense of place. The downtown district would include the geography defined within the Master Plan and all of the amenities within.



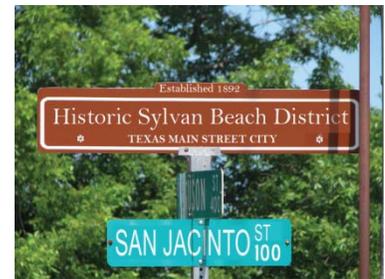
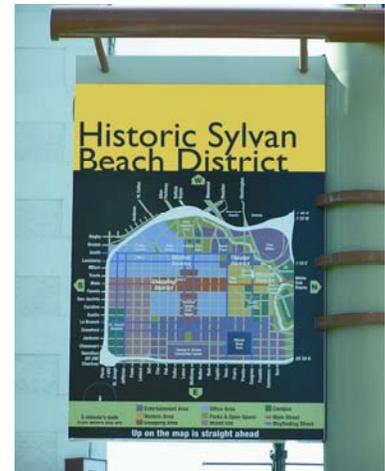
The specific name should incorporate aspects of La Porte that are well known outside of the city and have universal appeal. We recommend **the City adopt “Historic Sylvan Beach” as the umbrella brand,** and adapt that brand to each specific amenity. This concept is illustrated below:

- Historic **Sylvan Beach** District
- Historic **Sylvan Beach** Main Street
- Historic **Sylvan Beach** Gateway
- Historic **Sylvan Beach** Plaza
- Historic **Sylvan Beach** Walkway
- Historic **Sylvan Beach** Shops

The City should **incorporate the name into gateways and signs within the district**. Mock ups of what signage could look like are provided to the right.

Finally, working with the Main Street Advisory Board and Coordinator, the City should develop marketing materials to help promote the district, including:

- **Historic Sylvan Beach District website** – a standalone website should be created that features all amenities within the district. Model the website on best practices of other communities such as Long Beach, California (www.visitlongbeach.com), Raleigh, North Carolina (www.godowntownraleigh.com), and Annapolis, Maryland (www.visitannapolis.org).
- **Historic Sylvan Beach District brochure** – a printed brochure highlighting amenities and containing a map of the district. The brochure may be mailed to prospects and distributed at various establishments around La Porte.
- **Historic Sylvan Beach District newsletter** – a printed newsletter that is distributed 1-2 times per year, showcasing new business activity, developments, and events happening within the district.
- **Historic Sylvan Beach District advertisement** – an advertisement that can be used across a variety of publications in the Greater Houston area (see Tactic 2.1.3 for suggestions on which media should be considered).



Tactic 2.1.3: Market La Porte to tourists.

La Porte has a long history as a tourist destination. Long before industry came to town, visitors from across the state flocked to Sylvan Beach and Main Street. The entire Ship Channel area contains interesting historical sites, including the San Jacinto Monument. The Economic Alliance Houston Port Region, an economic development organization headquartered in downtown La Porte, is spearheading an initiative to package regional attractions within one tour. This program, called “Project Stars,” is another basis for visitor traffic into and around La Porte.

La Porte doesn't need to travel far from home to find tourists. Greater Houston's 5+ million residents is a large enough market to fuel day travelers for years to come. The key will be honing in on populations that will be the "early adopters" of the new tourism push. These individuals will view La Porte as a diamond in the rough, and feel personally involved in the rediscovery of La Porte. They will also be the city's best word of mouth marketing agents as the campaign kicks off. They are:

- Residents of other historic, gentrified neighborhoods in Greater Houston, including the Houston Heights, Boulevard Oaks, Broadacres, Independence Heights, Westmoreland, and the Old Sixth Ward, to name a few.
- Board members, members, and investors of the Houston Preservation Alliance
- Board members, members, and investors in the Houston Heritage Society
- Alumni of La Porte High School living in Greater Houston

Advertising the Historic Sylvan Beach District in neighborhood association newsletters, particularly those targeted above, will be an affordable way to reach these individuals. In addition, **offer to host membership meetings or special events** in La Porte that include a tour and lunch.

As tourism traffic increases and buzz builds, La Porte can extend its tourism promotion to more mainstream audiences. Place Historic Sylvan Beach District brochures and advertisements at venues such as:

- San Jacinto Monument Visitor Center
- San Jacinto College
- Hotels and attractions in and around the Bay Area
- La Porte Municipal Airport
- Houston Hobby, Ellington, and Intercontinental Airports
- The *Houston Chronicle's* travel section, both print and online editions

Longer term, as the district establishes itself, **position City leadership and the Main Street Coordinator as thought leaders on the topic of downtown redevelopment**. Speak at community planning, downtown association, and historic organizations across the region and state, citing La Porte as a successful model for other communities.

Tactic 2.1.4: Market La Porte to culinary related institutes and businesses.

The City's goal of attracting visitors and enhancing quality of life could be greatly supported by additional culinary activity located in the downtown district, including:

- **Culinary academy** – A culinary academy anchored in the historic district would be the impetus for establishing La Porte as a visitor destination in the region. Not only would it draw a daily stream of students into downtown, but it would also spark the growth of niche retail and hospitality businesses.

- **Farmer's market** – Buying locally produced, organic food is a nationwide trend, but La Porte residents have little if any access to these products. Currently, the closest farmer's market is located more than 10 miles outside of the city. Interviews and surveys conducted for this Strategic Plan indicate demand for a farmer's market. The City should **examine the possibility of hosting a market in downtown La Porte.**
- **Specialty grocers** – Residents express great concern about the availability of grocery stores in the city. While attracting a major national grocery chain to La Porte may take several years, the city is ripe for specialty grocers.
- **Wine merchants** – Similar to specialty grocers, wine merchants are a natural fit in a culinary environment. These merchants could sell bottles of wine, serve wine, and host classes.
- **Restaurants** – Independently owned or local restaurant chains are desirable for the downtown district. While La Porte has a good number of restaurants, it currently lacks variety.

A cluster of culinary activity will uniquely position La Porte as a destination for visitors from neighboring communities as well as fill a need for local residents. It will complement other attractions in the city, such as Sylvan Beach, burgeoning niche retail, cruise ships, and a trail system that draws cyclists and other sports enthusiasts.

To start, **develop a list** of culinary academies, specialty grocers, wine merchants and restaurants to target in this marketing campaign. Think small and regional chains versus national big box retailers. Next, **create marketing tools that express La Porte's specific advantages for culinary businesses.** These tools may include a brochure, a web page on the downtown website, and a series of advertisements for placement in specialty publications.

Tactic 2.1.5: Market La Porte to commercial real estate developers.

Once complete, La Porte's Master Plan will identify specific catalyst projects that will heighten the city's ability to accomplish its economic development vision. These projects will likely require participation from real estate developers. The Master Plan itself will serve as a valuable marketing tool for the city when communicating with development companies. It will provide a platform for conversation and illustrate to investors how their project will securely fit within the city's long term commitment to capital improvements.

As the Master Plan is being designed, the City should **create a database of commercial developers** located in the Greater Houston area, as well as national firms whose niche matches La Porte's.

Invest in marketing tools to use when reaching out to contacts. These materials should include:

- A **webpage or section within the City’s website** that provides details about the Master Plan and the catalyst projects contained within
- A **brochure and PowerPoint presentation** that summarizes the Master Plan

Once marketing materials are completed, **start a phone call campaign designed to schedule one-to-one with developer contacts** to inform them of opportunities in La Porte.

As these relationships develop, **host a Real Estate Day** in which Greater Houston area developers tour La Porte to learn firsthand about opportunities and catalyst project locations. This half-day event could include a brief presentation about the community, a brief tour of sites and community assets, and a golf tournament. Provide guests with printed materials about the Master Plan, a map of the region, and a community profile. Approach them as experts brought in to help the City refine versus sales targets.

Tactic 2.1.6: Market La Porte to retail developers.

The survey conducted for this project revealed that increasing retail shopping options is a top priority. Per capital taxable retail sales in La Porte were \$1,844 in 2007, which is significantly lower than neighboring cities Deer Park (\$4,220), Texas City (\$4,561), and Baytown (\$7,024), and Harris County as a whole (\$5,938). La Porte needs to capture a higher level of spending by residents, but first it must attract retailers to start up or expand into the city.

Although most retail developers have sophisticated approaches to site selection, and are primarily driven by population demographics, it is beneficial to build relationships with these businesses. In addition, as discussed in Goal 1, La Porte must prepare adequate sites and development policies to meet the needs of retailers.

The International Conference of Shopping Centers (ICSC) is the shopping center industry’s global trade association. It has 65,000 members, which include shopping center developers, owners, managers, investors, lenders, retailers, and marketing specialists. ICSC’s Texas Conference and Deal Making event occurs every fall in San Antonio. The conference attracts major companies such as Applebee’s, Chipotle, FedEx, Hastings, JC Penney, Staples, Starbucks, and The Container Store. Almost every major commercial developer is also present.

Once prepared for retail, the City should **attend and exhibit at ICSC**. The current cost to register is \$250 for members and \$460 for non-members. Exhibit space ranges in cost from \$350 to \$2100.

As with developers, **La Porte should invest in marketing materials to address its retail audiences. Dedicating a webpage within the City’s website to retail opportunities**, sites, and sales points is an important step, as is having appropriate printed collateral for use in sales meetings and at conferences.

Strategy 2.2: Engage in internal marketing to increase community awareness of the City's economic development initiative.

Internal and external marketing activities should be equally balanced in terms of time and financial commitment. Internal marketing is essential to successful economic development. Companies want to locate in places that exhibit a spirit of teamwork. It assures outsiders that the city is friendly, welcoming, and will work together, and residents feel personally involved in economic development

Tactic 2.2.1: Share the results of the final Strategic Plan with the community.

With more than 40 individuals participating in interviews and 300 in the public survey, La Porte's residents have contributed time and energy into the creation of this Strategic Plan. It is important that they experience the results of their hard work.

- Share the Strategic Plan with the *Bayshore Sun*. Encourage the *Sun* to develop a series of articles over a period of several weeks that feature various topics covered herein.
- Host a roll out event in which project team members speak about the Strategic Plan.
- Include a flyer about the Strategic Plan in City utility bills.
- Working with La Porte Independent School District to distribute information about the Strategic Plan to parents and teachers.

Tactic 2.2.2: Formalize a communications function within City government.

Ensure La Porte's residents are kept updated on City activities. Create a communications officer position or reorganize so that a current staff member(s) has time and authority to implement this recommendation. The person should be responsible for:

- Writing and distributing media releases on a regular basis about City activities
- Hosting a series of events in which City leaders visit with civic groups about economic development activities
- Continuing to post current news stories and the community hotline on the City's website
- Continuing to produce newsletters and annual reports that highlight top stories and assure residents that the City cares about their interests
- Alerting the Economic Alliance, Bay Area Houston Partnership, and Greater Houston Partnership about economic development in La Porte

- Ensuring the City, economic development, and Historic Sylvan Beach websites are kept up-to-date
- Overseeing the design and production of collateral materials
- Ensuring all City marketing activities, including those related to economic development and the Historic Sylvan Beach District, are consistent in appearance and messaging
- Conducting an annual survey of residents to gauge perception and concerns related to La Porte's economic development

While these responsibilities may be handled by a single individual or divided across several departments, each is important to maintaining a positive information flow between City government and the public. This will help stem misinformation and generate a sense of goodwill.

GOAL 3

Implement the strategies in such a way that maximum flexibility and accountability are maintained.

From the outset, this plan was designed in such a way that the priorities led to clear implementation actions.

The goals, strategies, and tactics within this plan will be carried out by the City of La Porte with cooperation from the Economic Development Corporation and the Main Street Advisory Board. However, successful implementation will require energy and coordination from the entire community.

Of foremost importance to economic development success is to accept that not everyone in the community will agree with every tactic in this strategy. Through interviews and surveys, we can say without question that almost everyone in the city agrees to the tenets on which this strategy was developed. Improving La Porte's quality of life is residents' number one priority. Beautification, Sylvan Beach, and Downtown redevelopment are critical components of this initiative. City leaders and residents should not lose sight of these goals and should let them guide decisions.

The second factor of economic development success is to keep policies flexible, geared toward accomplishing La Porte's long term vision versus reacting to daily crises. To accomplish this, the public sector will have to:

- Provide an overall planning context (a master plan) and funding for key catalyst projects (e.g., Sylvan Beach and infrastructure improvements).
- Ensure that policies related to land use should be focused on performance rather than function. Focus on how the structure interacts with other elements of the built environment, as opposed to what is going on inside the building per se.
- Adopt an incentives policy that provides guidance to potential recipients as to community priorities and goals while not being overly specific as to the type of firm or project that is eligible. Include a system for grading a project's eligibility that is based on the project's contribution to City vision and goals. Judgment should be a key part of the evaluation process.
- Focus on context and adjust this Plan as needed to facilitate market-driven evolution of specific activities.

Finally, this strategy is an active document that should be updated and adapted to new economic circumstances. The City should incorporate the Plan's Implementation Guide into staff management and evaluations. At least once a year, adjust the Implementation Guide to include new projects and remove those that have been accomplished. In doing so, this Strategic Plan can live well beyond its three-year timeframe.



Appendix

Incentive Policy Example

Mixed Use Project

New Urban Builders plans to bring a mixed use project to the downtown La Porte/Sylvan Beach corridor. The plan is to build 105,000 square feet of retail/entertainment, a 100 room hotel, 45,000 square feet of office uses and 175 housing units, of which 75 will be owner-occupied priced between \$155,000 and \$275,000/unit, with the balance multi-family rental. The City will spend \$375,000 in infrastructure extensions.

Overall Economic and Fiscal Impact			
Minimal 0	Acceptable 10	Good 20	Excellent 30
Character of Jobs			
Poor/Minimal 0	Acceptable 10	Good 15	Excellent 20
Connection to Economic Development Focus Areas			
Unconnected 0	Acceptable 10	Good 20	Excellent 30
Additional Contribution to Community Vitality			
Minimal 0	Acceptable 10	Good 15	Excellent 20
Total Possible Points			100
Bonus Points for Desired Development Location in Downtown/Sylvan Beach Corridor			15

Project Score: 85 (qualifies for up to 50 percent tax incentive)

Project Details

Taxable Annual Sales	\$28,875,000
Number of FTEs	150
Average Hourly Wage	\$12
Average Annual Wage	\$24,000
Total Annual Payroll	\$3,600,000
Taxable Hotel Revenue	\$3,832,500
Value of Property, etc	\$56,875,000
Payroll Growth Factor	3%
Sales Growth Factor	3%
Value of Plant/Equipment Growth Factor	3%
Hotel Revenue Growth Factor	3%
Discount Rate	5%
Present Value of Fiscal Benefits - No Incentives	\$9,964,168
Estimated Direct City Costs	\$375,000
Present Value of Fiscal Benefits - With Incentives	\$5,371,194
Present Value of Public Costs	\$344,590
Present Value of Net Benefits - With Incentives	\$5,026,604
Value to City as Percentage	50.4%

Example Abatement Schedule

Year	La Porte	Direct Cost Timing
Year 1	80%	50%
Year 2	80%	25%
Year 3	65%	25%
Year 4	65%	0%
Year 5	65%	0%
Year 6	65%	0%
Year 7	10%	0%
Year 8	5%	0%
Year 9	5%	0%
Year 10	5%	0%



Chapter 4: Implementation Guide

**ECONOMIC DEVELOPMENT STRATEGIC PLAN
CITY OF LA PORTE, TEXAS**

June 2009



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Introduction

This Implementation Guide is designed to assist the City of La Porte carry out the strategies and tactics contained in the “Forward La Porte Economic Development Plan.” It provides a calendar of activities, budget estimates, and performance metrics.

Following its delivery, La Porte’s City Council and Economic Development Corporation should move to adopt the Plan (either formally or informally). By adopting the Plan, both groups will express their support of its recommendations and agree to refer to it when making decisions related to policy, staff, and budget.

How this document is utilized in the future varies.

- First, members of the **City Council and Economic Development Corporation Board should commit to supporting the mission statement, vision statement, and goals contained in the Strategy.** They should agree that all future economic development decisions will tie back to these three overarching facets of the Strategy. Resident’s overwhelming prioritization of beautification, downtown, Sylvan Beach, and retail development should guide how city leaders allocate their time and resources. The City’s economic development mission, vision, and goals should remain consistent over time.
- Given an umbrella of support for the Strategy from La Porte’s elected officials and Economic Development Corporation board, **the City Manager, Assistant City Manager, and departmental heads have responsibility for ensuring staff are working toward accomplishing its goals and recommendations.** The Strategy should be referred to when establishing staff assignments and evaluating performance.
- Based on direction from their managers, **city staff members should be responsible for implementing tactics contained within the Strategy.** Managers may ask staff to develop an individual work plan for their assigned tactic. Steps taken to implement tactics will occur on a daily basis. The implementation of tactics occurs on a daily basis. Tactics may be adjusted to adapt to changing circumstances as long as the revision supports the strategies and goals of the plan.

The three-pronged approach to implementation that is described above works well for most communities. It keeps elected officials focused on the City’s long range vision, helps managers set direction, and gives staff specific assignments. Most importantly, it ensures that all City functions are working in sync toward the same long-range vision.

Implementation Calendar

Goal	Strategy / Tactic	Start Date	End Date
1.0 Adopt policies that encourage high quality development.			
	1.1 Develop a Master Plan for downtown	Oct 2009	Sept 2010
	1.2 Prepare the City for retail development	In progress	June 2010
	1.3 Ensure the City has appropriate tools to finance and incentivize quality economic development		
	1.3.1 Adopt competitive incentive policy guidelines	In progress	Sept 2009
	1.3.1 Create incentive strategies for Sylvan Beach, Main Street, and a retail center (timing may depend on Master Plan)	June 2009	June 2010
2.0 Launch a marketing campaign to build awareness and perception of La Porte.			
	2.1 Organize and launch an external campaign	June 2009	June 2012+
	2.1.1 Develop and adopt a marketing plan	June 2009	Oct 2009
	2.1.2 Brand and market the Greater Downtown district:		
	~ Agree to a name for Greater Downtown	June 2009	Aug 2009
	~ Incorporate the name into downtown signage	Nov 2009	Dec 2010
	~ Talk to TxDOT about signs for Highway 146	Nov 2009	Jan 2010
	~ Develop a website promoting downtown	Sept 2009	Jan 2010
	~ Create a brochure promoting downtown	Nov 2009	Jan 2010
	~ Design and publish downtown newsletter	Mar 2010	Bi-Annual
	~ Design a multipurpose advertisement(s)	Nov 2009	Jan 2010
	2.1.3 Market La Porte to tourists	Feb 2010	Ongoing
	~ Advertise in Houston area historic neighborhood association newsletters	Apr 2010	Ongoing
	~ Place downtown promotional materials at key venues around Greater Houston	Apr 2010	Ongoing
	~ Place downtown advertisement in <i>Houston Chronicle</i> travel section	June 2010	Sept 2010
	~ Position City leadership as thought leaders in downtown redevelopment	Jan 2011	Ongoing
	2.1.4 Market La Porte to the culinary industry		
	~ Develop a list of culinary academies, grocers, restaurants, and other merchants to target.	Feb 2010	April 2010
	~ Create marketing tools specifically aimed at culinary industry (brochure, webpage, ad)	Dec 2009	Mar 2010
	~ Examine the potential of a farmer's market in downtown La Porte	Jan 2010	May 2010
	2.1.5 Market La Porte to commercial developers		
	~ Develop a database of commercial developers	Feb 2010	April 2010

	~ Create marketing tools specifically aimed at Houston area real estate developers	Dec 2009	May 2010
	~ Engage in a call campaign to set up one-to-one meetings with targeted developers	April 2010	Ongoing
	~ Host a Real Estate Day for developers	Jan 2011	Bi-Annual
	2.1.6 Market La Porte to retail developers		
	~ Create marketing materials specifically aimed at retail audiences	Dec 2009	May 2010
	~ Attend and exhibit at ICSC's annual conference in San Antonio	Fall 2009	Annual
	2.2 Engage in internal marketing to increase community awareness of economic development		
	2.2.1 Share the results of this Plan with residents	June 2009	Sept 2009
	~ Share the Plan with the Bayshore Sun	June 2009	June 2009
	~ Host a roll out event where project team members share the Plan	July 2009	July 2009
	~ Include a flyer about the Plan in utility bills	Aug 2009	Aug 2009
	~ Distribute Plan highlights through LPISD	Oct 2009	Oct 2009
	2.2.2 Formalize a communications function within City government	Aug 2009	Aug 2010
Goal 3: Implement the strategies in such a way that maximum flexibility and accountability are maintained.			
	Adoption of this Plan by the City Council, EDC Board	June 2009	Aug 2009
	Align City departmental scopes of work with the strategies in this Plan	Aug 2009	Sept 2009
	Align individual staff members' assignments with the tactics in this Plan	Oct 2009	Nov 2009
	Provide an overall planning context for catalyst projects	See 1.1	May 2010
	Ensure policies related to land use are focused on performance rather than function	June 2009	Ongoing
	Adopt an incentives policy that provides guidance to potential recipients as to community priorities and goals without being overly specific as to the type of project that is eligible	See 1.3	Dec 2009
	Focus on context and evolve this Plan as needed to adapt to market changes	June 2009	Ongoing

Budget Estimates

Goal	Strategy / Tactic	Estimated Annual Cost
1.0 Adopt policies that encourage high quality development.		
	1.1 Develop a Master Plan for downtown	\$150,000-\$250,000
	1.2 Prepare the City for retail development	TBD
	1.3 Ensure the City has appropriate tools to finance and incentivize quality economic development	
	1.3.1 Adopt competitive incentive policy guidelines	-
	1.3.1 Create incentive strategies for Sylvan Beach, Main Street, and a retail center	-
2.1 Launch an external marketing campaign		
	2.1.1 Develop and adopt a marketing plan	\$10,000-\$20,000
	2.1.2 Brand and market the Greater Downtown district:	
	~ Agree to a name for Greater Downtown	-
	~ Incorporate the name into downtown signage	\$10,000 +
	~ Develop a website promoting downtown	\$10,000-\$15,000
	~ Create a general brochure promoting downtown	\$2,500-\$5,000
	~ Design and publish downtown newsletter	\$1,000-\$2,000
	~ Design a series of advertisements showcasing La Porte to its target audiences	\$2,000-\$5,000
	2.1.3 Market La Porte to tourists	
	~ Advertise in Houston area historic neighborhood association newsletters	\$7,500-\$10,000
	~ Place downtown promotional materials at key venues around Greater Houston	\$1,000-\$2,000
	~ Position City representatives as thought leaders in downtown redevelopment	-
	2.1.4 Market La Porte to the culinary industry	
	~ Develop a list of culinary academies, grocers, restaurants, and other merchants to target.	\$500-\$1,000
	~ Create marketing tools specifically aimed at culinary industry (brochure, webpage, ad)	\$1,000-\$5,000
	~ Examine the potential of a farmer's market in downtown La Porte	-
	2.1.5 Market La Porte to commercial developers	
	~ Develop a database of commercial developers	\$500-\$1,500

	~ Create marketing tools specifically aimed at Houston area real estate developers	\$1,000-\$5,000
	~ Engage in a call campaign to set up one-to-one meetings with targeted developers	\$500-\$1,000
	~ Host a Real Estate Day for developers	\$5,000-\$10,000
	2.1.6 Market La Porte to retail developers	
	~ Create marketing materials specifically aimed at retail audiences	\$1,000-\$5,000
	~ Attend and exhibit at ICSC's annual conference in San Antonio	\$2,000-\$4,000
	2.2 Engage in internal marketing to increase community awareness of economic development	
	2.2.1 Share the results of this Plan with residents	
	~ Share the Plan with the Bayshore Sun	-
	~ Host a roll out event where project team members share the Plan	\$250-\$500
	~ Include a flyer about the Plan in utility bills	\$500-\$750
	~ Distribute Plan highlights through LPISD	\$500-\$750
	2.2.2 Formalize a communications function within City government	-
Goal 3: Implement the strategies in such a way that maximum flexibility and accountability are maintained.		
	Adoption of this Plan by the City Council, EDC Board	-
	Align City departmental scopes of work with the strategies in this Plan	-
	Align individual staff members' assignments with the tactics in this Plan	-
	Provide an overall planning context for catalyst projects	See 1.1
	Ensure policies related to land use are focused on performance rather than function	-
	Adopt an incentives policy that provides guidance to potential recipients as to community priorities and goals without being overly specific as to the type of project that is eligible	See 1.3
	Focus on context and evolve this Plan as needed to adapt to market changes	-

Performance Metrics

Performance metrics are monitor the implementation progress and outcomes of a strategic plan. Most should be checked every six months to one year to ensure projects are on track. While accomplishing metrics on time should be an objective, strategies and tactics may be adjusted to adapt to changes that either impede or accelerate the schedule.

We recommend the following metrics for the City of La Porte's economic development initiative:

1.1 Develop a comprehensive master plan for greater downtown La Porte

Metrics

- ✓ Master plan is completed on budget by Sept 2010.
- ✓ Master plan reflects development principles stated in the Strategic Plan

1.2 Prepare the city for retail development

Metric

- ✓ Acquire and aggregate land to create a retail site that is a minimum of 20 acres in size by June 2010

1.3 Ensure the City has appropriate tools to finance and incentivize quality economic development

Metrics

- ✓ Adopt competitive incentives policy, that follows the guidelines set forth in this Strategic Plan, by September 2009
- ✓ Adopt incentives package(s) to support redevelopment of catalyst projects such as Main Street, Sylvan Beach, and a retail center
- ✓ Cost-benefit analysis is conducted on each project prior to awarding incentives

2.1 Organize and Launch an external marketing campaign

2.1.1 Adopt a marketing plan based on the recommendations of this Plan

Metric

- ✓ Adopt a marketing plan by October 2009

2.1.2 Brand and market the downtown district

Metrics

- ✓ The greater downtown district will have a single brand name by August 2009
- ✓ Marketing tools for the downtown district will be completed by January 2010
- ✓ All gateway, wayfinding, and street signs in the downtown district will reflect the new name by July 2010

2.1.3 Market La Porte to tourists

Metrics

- ✓ Starting in April 2010, La Porte will regularly advertise the downtown district in a minimum of three (3) Greater Houston area neighborhood association newsletters
- ✓ Starting in April 2010, Downtown district marketing materials will be distributed at a minimum of five (5) Greater Houston area establishments (visitor centers, airports, colleges, etc.)
- ✓ Three (3) consecutive downtown district advertisements will be placed in the Houston Chronicle's print and/or online editions starting in June 2010

2.1.4 Market La Porte to culinary related institutes and businesses

Metrics

- ✓ Develop a database of culinary institutes and businesses by April 2010
- ✓ Design print and online marketing materials targeting culinary by March 2010
- ✓ Locate a minimum of three (3) restaurants to the downtown district by May 2011
- ✓ Locate a minimum of five (5) non-restaurant culinary related businesses to the downtown district by May 2012

2.1.5 Market La Porte to commercial real estate developers

Metrics

- ✓ Keep commercial developer database updated on an ongoing basis
- ✓ Design print and online marketing materials targeting developers by May 2010
- ✓ Meet face-to-face with a minimum of two (2) commercial real estate developers each quarter beginning in May 2010
- ✓ Host two (2) commercial real estate tours in La Porte each year beginning in 2011

2.1.6 Market La Porte to retail developers

Metrics

- ✓ Produce print and online marketing materials targeting retailers by May 2010
- ✓ Attend and exhibit at ICSC's Fall conference in San Antonio a minimum of three years beginning in 2009
- ✓ La Porte will break ground on a new retail center by May 2012
- ✓ La Porte's per capita retail sales tax receipts will be at a minimum on average with neighboring cities by May 2013

2.2 Engage in internal marketing to increase community awareness of the City's economic development initiative

2.2.1 Share the results of the final Strategic Plan with the community

Metrics

- ✓ Generate a minimum of two (2) articles in the Bayshore Sun that discuss the Plan or topics covered in the Plan
- ✓ Conduct a minimum of two (2) community outreach activities aimed at sharing the Plan with residents (e.g., roll out event, utility bill flyer, LPISD newsletter, or other)

2.2.2 **Formalize a communications function within City Government**

Metrics

- ✓ The City will create a full or part time communications officer position responsible for public / community relations by August 2010

FORWARD LA PORTE



June 8, 2009

La Porte Economic Development Strategy

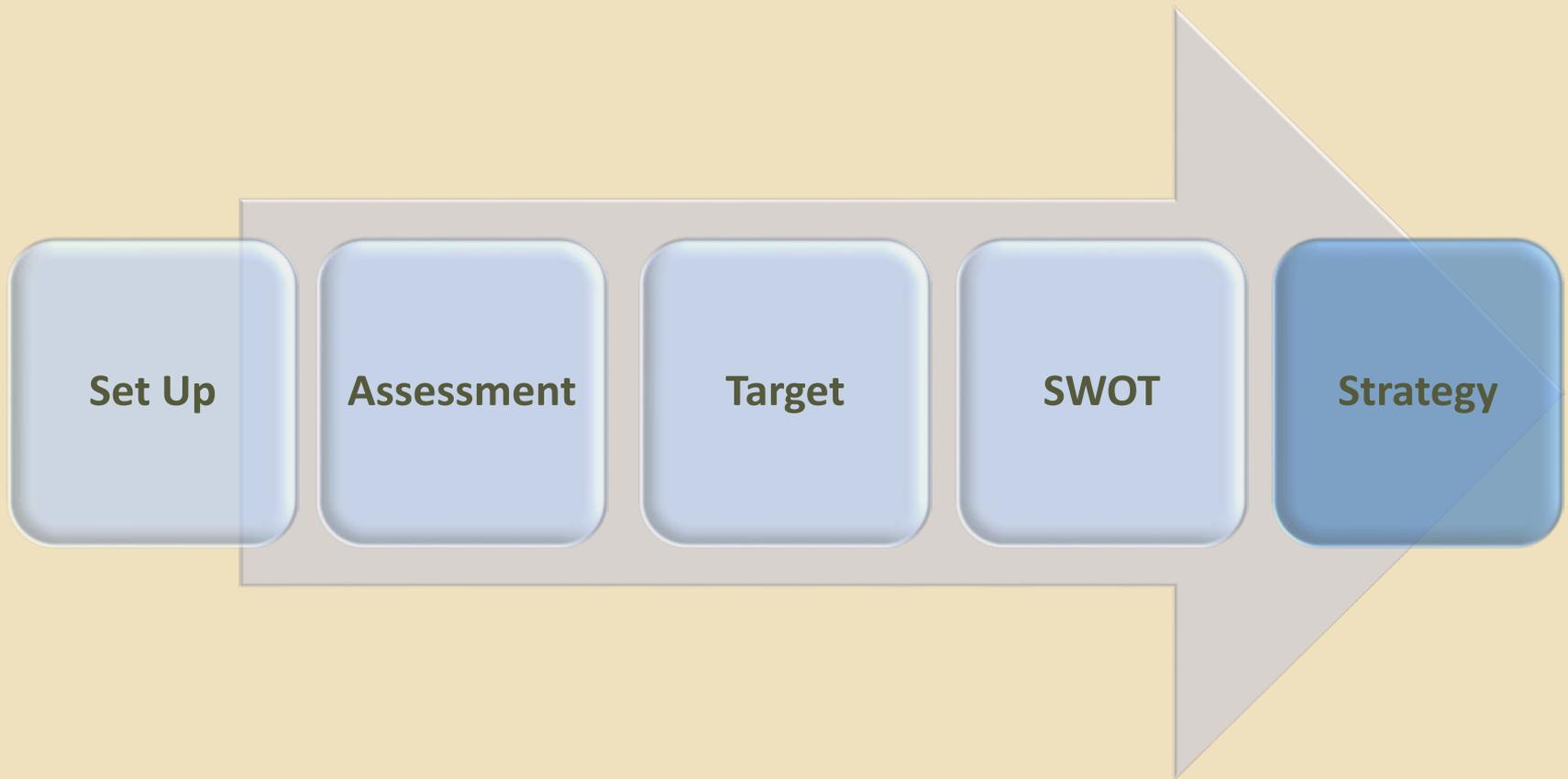


FORWARD LA PORTE

Agenda

- Project Update
- Economic Development Strategy
- Conclusion





Public Participation

Hundreds of city leaders, businesses, and residents participated in the development of this Strategic Plan. Their input is reflected in its goals and recommendations.

- ✓ 300+ survey respondents
- ✓ 31 individual interviews
- ✓ 11 member Steering Committee

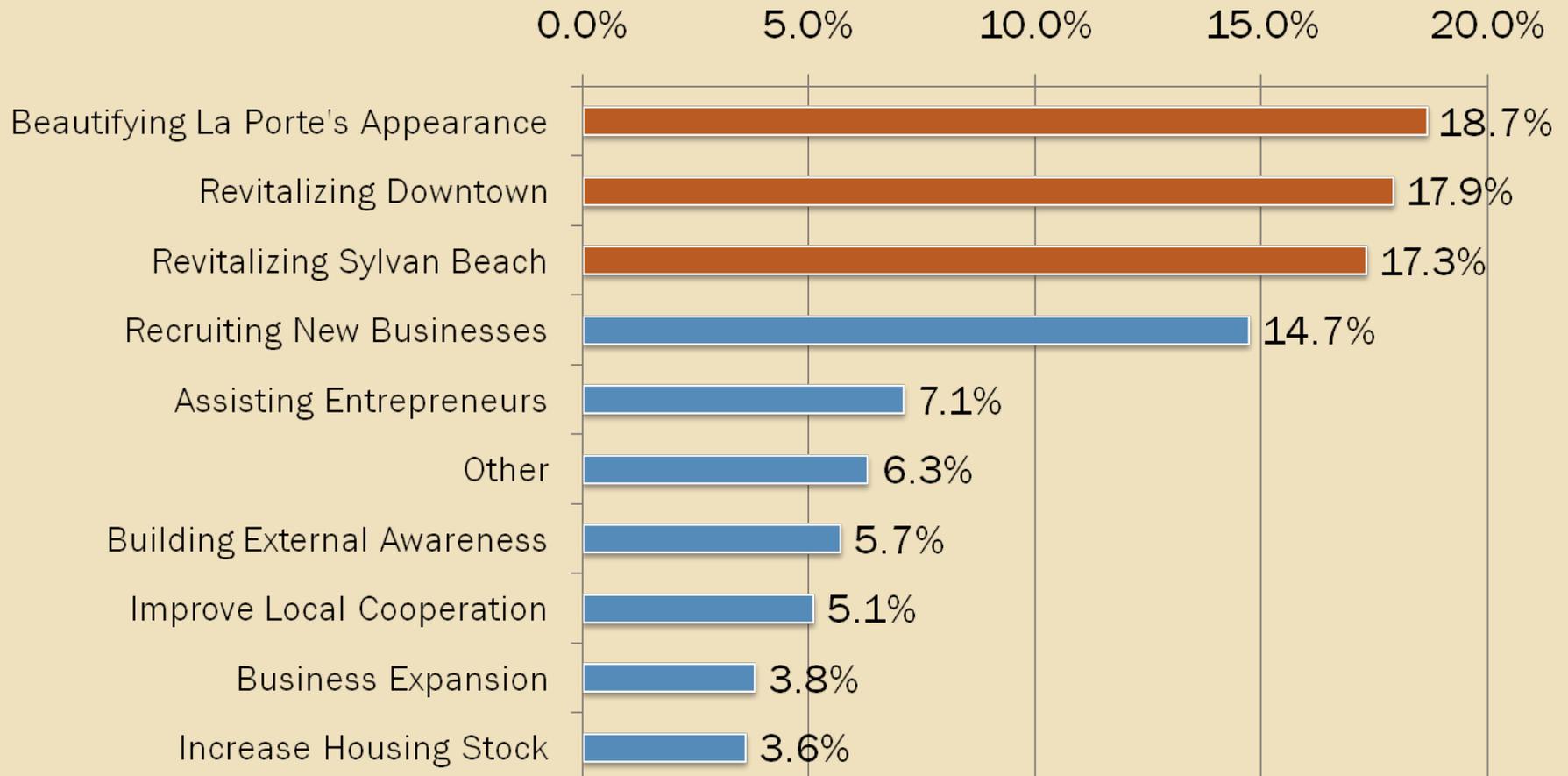
FORWARD LA PORTE

Agenda

- Project Update
- Economic Development Strategy
- Conclusion



What are the city's top 3 economic development priorities?



Forward La Porte Survey, December 2008

n=300

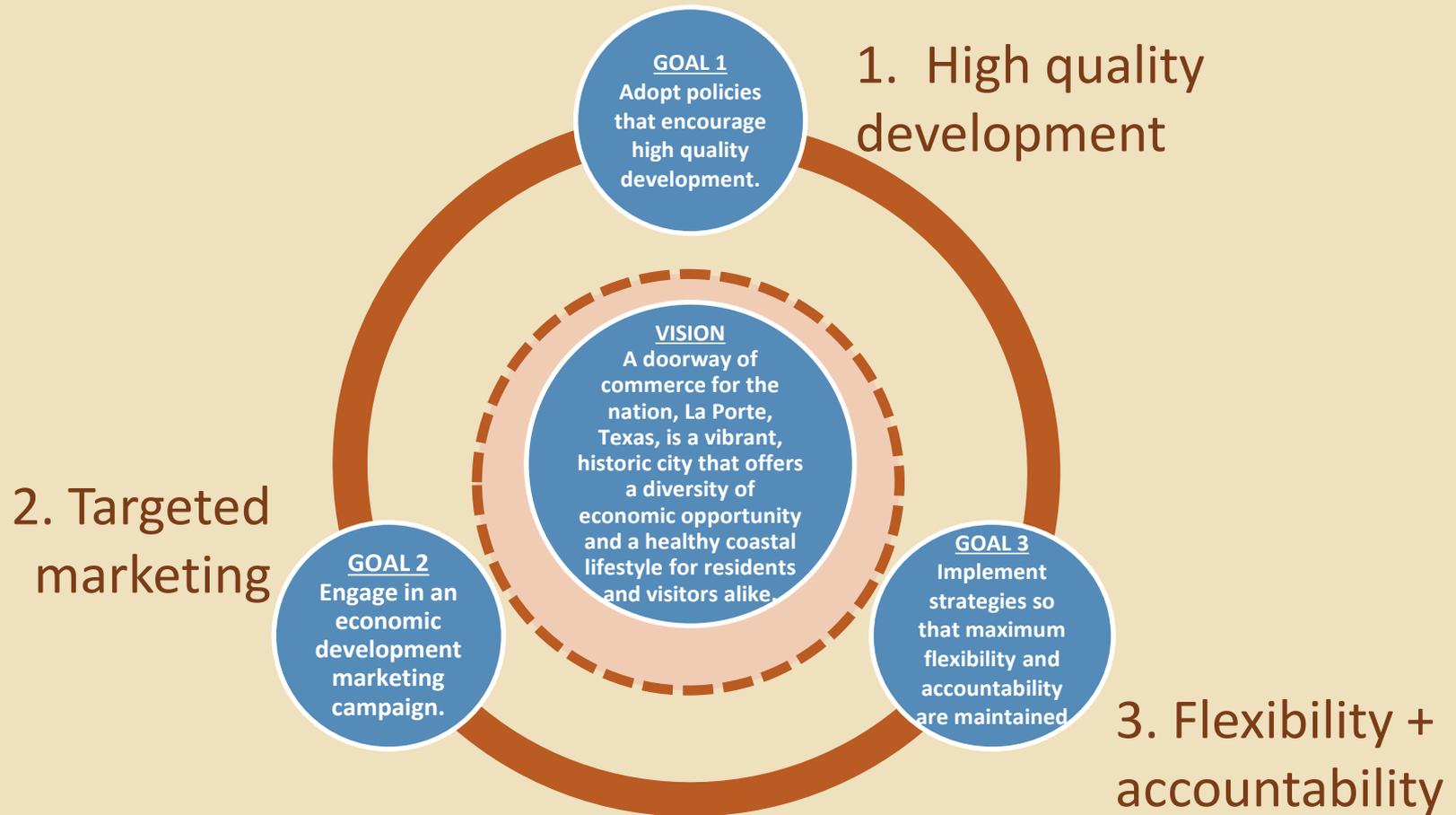
Economic Development Mission

The mission of the La Porte Economic Development Corporation is to **plan, provide, and promote** economic development in the city of La Porte, Texas.

Economic Development Vision

A **doorway** of commerce for the nation, La Porte, Texas, is a **vibrant, historic** city that offers a diversity of economic opportunity and a **healthy coastal lifestyle** for residents and visitors alike.

La Porte Economic Development Goals



GOAL 1: High quality development.

Strategy 1.1

Develop a **Comprehensive Master Plan for Greater Downtown La Porte** that links key destinations and neighborhoods.

Plan should include:

- **Block, street, public space and building level** scale plan
- **Revised street network concept** balancing pedestrian development
- **Expanded details for catalyst projects**, like Sylvan Beach, within the Master Plan framework
- **Fiscal impact analysis** of improvements on tax base
- Priority and **phasing plan for infrastructure**
- **Renderings** of catalyst projects to help communicate the plan

What is “Greater Downtown?”

- Geographic area that includes
 - Sylvan Beach
 - Five Points
 - Main St, Broadway, Fairmount Pkwy, San Jacinto
- Identify key catalytic projects via unified Master Plan
 - Activity centers / ancillary development
 - Builds public support
- Needs unique incentive / public funding plan
 - Resolve current TIRZ boundary with future TIF?

La Porte's Greater Downtown:

Opportunities waiting to be linked.



Downtown La Porte

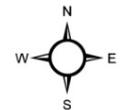
Opportunities Map

February 21, 2009

Note: TIRZ boundary includes

R-O-W of:

- Main Street
- Fairmont Pkwy
- San Jacinto Street



500 250 0 500
Feet



Strategy 1.1: Master Plan

Opportunities – Community Vision and Land Use

- “Encourage an active, vital downtown with a variety of uses” (Goal 4.4)
- “Develop a [pedestrian] network ... through the La Porte area, including an interconnected system of paths, trails, lanes and routes (Goal 7.7)
- “Meet the future housing needs in La Porte by providing for a variety of housing options” (Goal 9.2)
- “Preserve the integrity of existing neighborhoods and create livable and safe neighborhood environments” (Goal 9.6)
- “Revise existing ordinances and adopt new ordinances as necessary to implement the La Porte 2020 Comprehensive Plan Update.” (Goal 13.5)

Strategy 1.1: Master Plan

Opportunities – Mixed Use in Downtown is the Key (not buffering)

- “Protect Neighborhoods from encroaching incompatible development” (Obj.9.6.d)
 - Amend the zoning ordinance to incorporate provisions regarding lot sizes, setbacks and buffering (Action 1)
 - Use the Land Use Plan to protect existing neighborhoods from adjacent incompatible land uses (Action 3)

This objective and the corresponding proposed actions assume that buffering, not transitions will provide protection for neighborhoods. A better strategy will be to revise the land use plan and corresponding regulations to facilitate good pedestrian connections and transitions between neighborhoods and commercial areas.

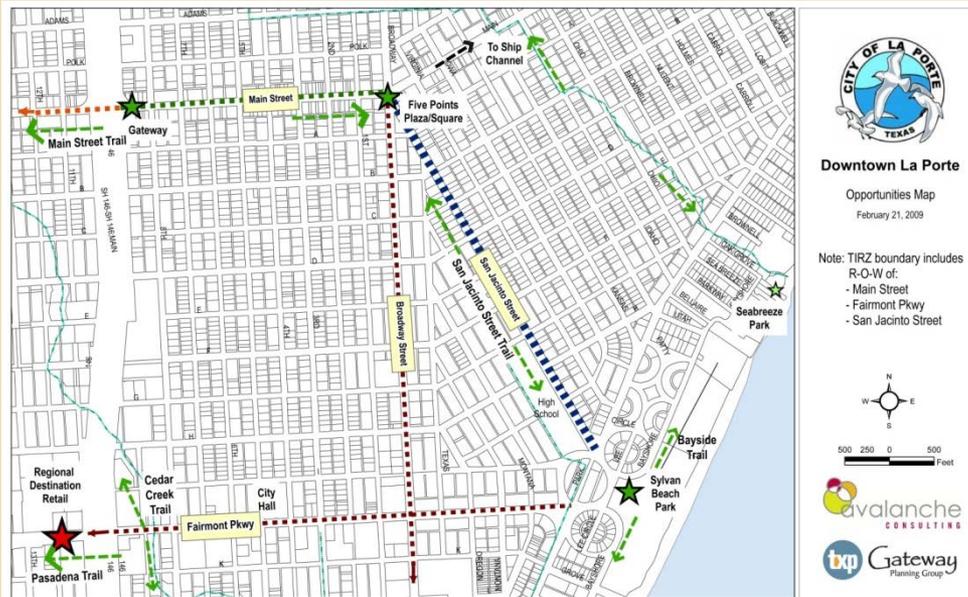
Strategy 1.1: Master Plan

Opportunities – Mixed Use in Downtown is the Key (not buffering)

- Main Street Overlay
 - Allows mixed use: commercial and residential
 - Creates urban pedestrian environment through build-to lines
 - Substantially reduces off-street parking requirements
- Main Street Design Program
 - Good intent; but what should be mandatory and what should be encouraged?

Supporting mixed use, the Overlay and the Design Program provide a good start for revitalizing the historic downtown as a mixed use destination. The philosophy underlying them, walkable urbanism, should be expanded to the Greater Downtown.

Strategy 1.1: Master Plan



What, opportunities for economic development can be unleashed through place-making and street redesign especially along San Jacinto, Broadway and Fairmont?

How can place-making and street redesign better link Main Street and Sylvan Beach, as well as promote quality infill development adjacent to the key corridors?

Keys to Place-Based Economic Development

- Link key destinations with a walkable street network
- Craft a vision for Greater Downtown based on the following:
 - ✓ Main Street positioned to anchor expanded urban living
 - ✓ Use natural assets (watershed corridors, trails, waterfront) to sustain expanding urban living
 - ✓ Use linked downtown destinations to expand opportunities for local-serving retail and destination retail
- Use value capture from increased tax base to fund and maintain needed neighborhood infrastructure (streetscape, trails, plazas)

Strategy 1.1: Master Plan

Tactics:

- Develop and implement form-based development standards beyond the Main Street Overlay and Design Guidelines to implement the new Master Plan, including refinement of street cross-sections to accommodate walkable urbanism.
- Increase the boundaries of the TIF beyond the limited street rights-of-way within Greater Downtown to capture more value for needed infrastructure improvements for downtown
- Reinvent San Jacinto as a walkable corridor with a trail to extend the reach of Main Street conveniently to Sylvan Beach

Strategy 1.1: Master Plan

Tactics, continued:

- Create a partnership with the county to make the Sylvan Beach Park a true mixed use tourist destination, building on the impending investment in the Park
- Consider Fairmont Parkway as a means to bring the reach of future destination retail at the SH 146 Interchange into downtown towards (i) the intersection of Broadway and over to (ii) Sylvan Beach
- Preserve Broadway as a key connector street between the emerging gravity of Main Street and the reinvention of Fairmont Parkway

GOAL 1: High quality development.

Strategy 1.2

Prepare La Porte for **retail development**.

- ✓ Aggregate land.
- ✓ Service with infrastructure.
- ✓ Rezone if needed.

GOAL 1: High quality development.

Strategy 1.3

Ensure that the City has appropriate **tools to finance and incentivize** quality economic development.

- **Benefits should exceed costs**, long after incentives are granted
- Adopt and consistently use an **evaluation framework**
- **Don't front-load** financial incentives
- **Allow unique incentive packages** for extraordinary projects
- **Create specific incentives for catalyst projects** like Sylvan Beach, Main Street, and retail

Strategy 1.3: Finance and Incentivize

- Must be consistent with “best practices”
 - performance-based
 - aligned with overall goals/strategies
- Benefits should ideally flow directly to the public as much as possible
 - infrastructure vs. cash
- Focus on both “projects” and firms
- While competitive with local peer communities, level should not exceed what makes sense for La Porte

Strategy 1.3: Finance and Incentivize

Ideal Candidates

- Firms that fill a specific need in the local economy
 - sales tax generation
 - geographic location within La Porte
- Firms that expand/enhance a key sector
 - retail trade or professional service firms
- Projects with a high net positive direct impact on the tax base and are consistent with strategic vision
- Pay above average wages / employ La Porte residents
- OVER-ARCHING GOAL – Tax base and wage growth that is consistent with community values and assets

Strategy 1.3: Finance and Incentivize

Cost-Benefit Analysis Procedure

- Collect information that details the expected construction and operational profile of the project
- Estimate the direct effects (economic & fiscal)
- Calculate the indirect and induced effects
- Determine the costs (both real expenditures and opportunity costs)
- Compare the costs and benefits in present value terms

Strategy 1.3: Finance and Incentivize

Scoring

- Maximum incentive should equal no more than 50% of the 10-year present value of the net fiscal impact
 - Can be “front-loaded” for especially desirable projects
- Recommendation: Use a benchmark of 25 to 30% of present value for most projects – actual level can be subject to negotiation

Scoring Framework

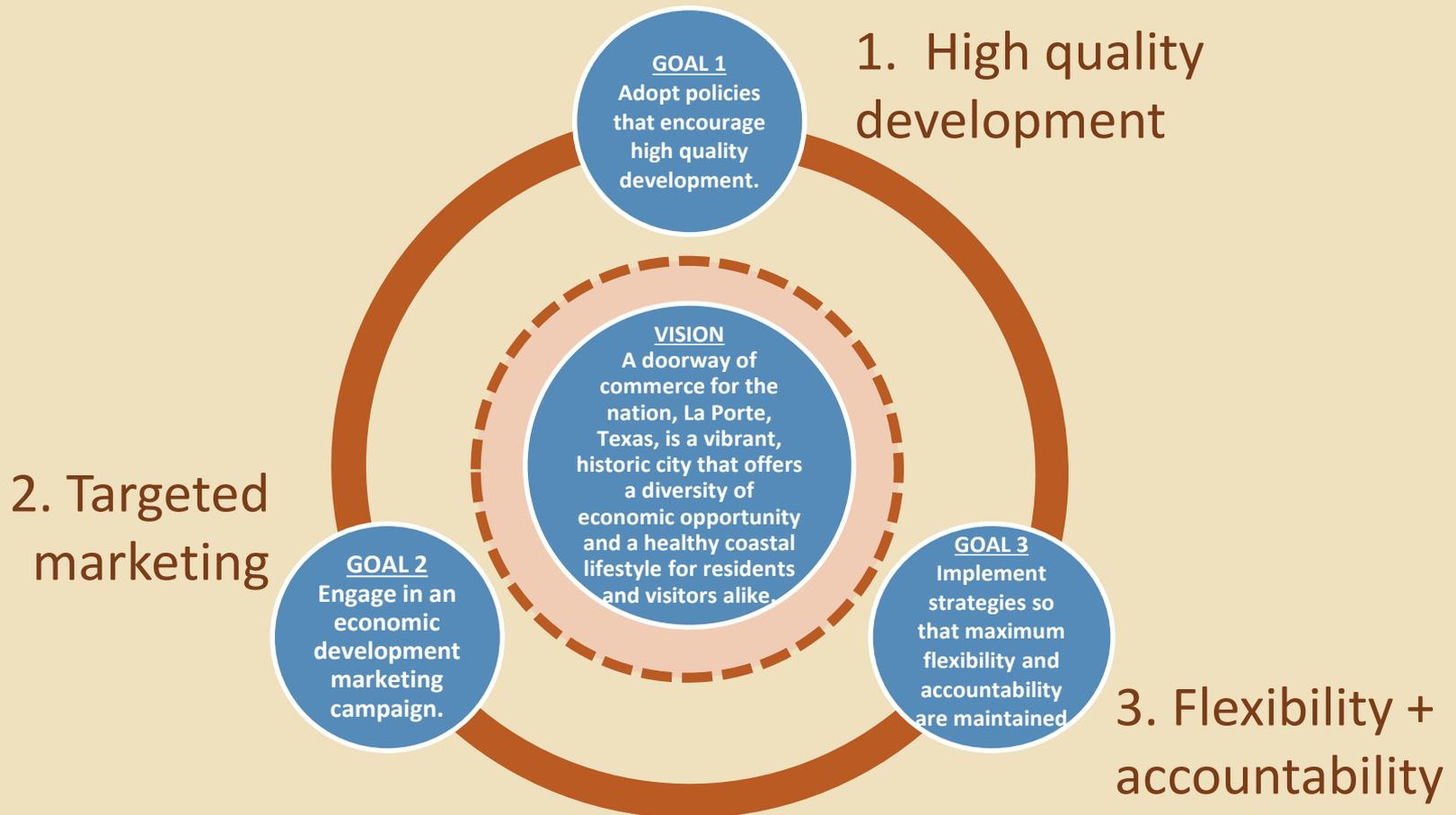
Take the guesswork out of incentives.

Overall Economic and Fiscal Impact			
Minimal	Acceptable	Good	Excellent
0	10	20	30
Character of Jobs			
Poor	Acceptable	Good	Excellent
0	10	15	20
Alignment with La Porte’s Economic Development Vision			
Unconnected	Acceptable	Good	Excellent
0	10	20	30
Additional Contribution to Community Vitality			
Minimal	Acceptable	Good	Excellent
0	10	15	20
Total Possible Points		100	
Bonus Points for Location Downtown / Sylvan Beach Corridor		15	

Strategy 1.3: Finance and Incentivize

- Chapter 380 agreements likely to be the most flexible and efficient vehicle through which incentives can be structured
 - Can include any combination of tax abatement & fee reductions/waivers
- Tax Increment Financing
- Tax Increment Reinvestment Zone

La Porte Economic Development Goals



GOAL 2: Targeted Marketing Campaign

Economic Development Emphasis:

- Beautification
- Downtown
- Sylvan Beach
- Retail

Marketing Audiences

- Tourists
- Hospitality Businesses
- Real Estate Developers
- Retailers

GOAL 2: Targeted Marketing Campaign

Strategy 2.1

Organize and launch an external marketing campaign.

Tactic 2.1.1: **Adopt a marketing plan.**

GOAL 2: Targeted Marketing Campaign

Strategy 2.1

Organize and launch an external marketing campaign.

Tactic 2.1.2: Brand and market Greater Downtown under a single identity.



Historic
Sylvan Beach

Historic Sylvan Beach District

Historic Sylvan Beach Main Street

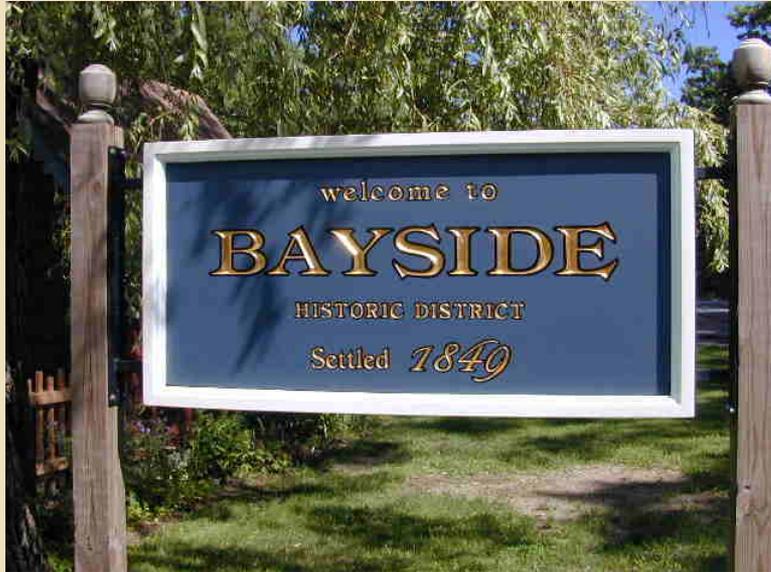
Historic Sylvan Beach Gateway

Historic Sylvan Beach Plaza

Historic Sylvan Beach Walkway

Historic Sylvan Beach Shops

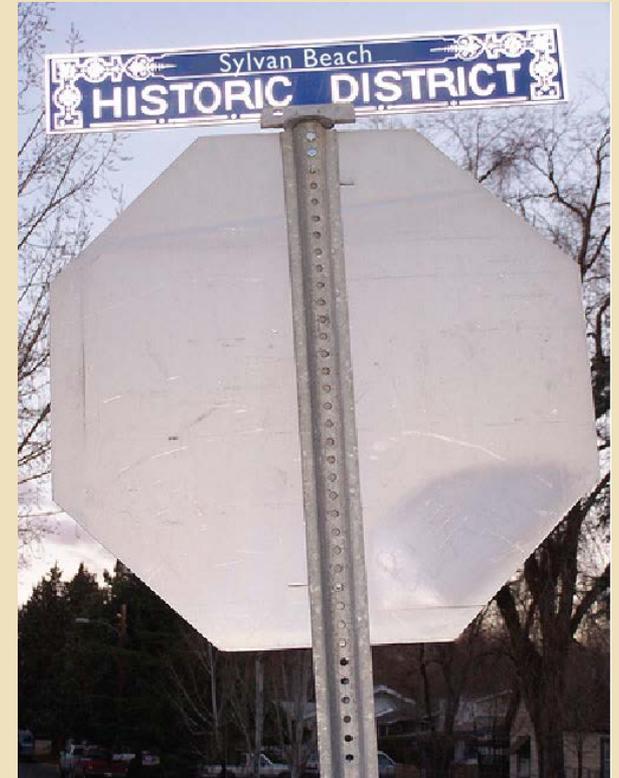
Gateways



Wayfinding



Street Signs



Online

McKINNEY
D O W N T O W N
Unique by nature.

shop. dine. enjoy.

search Go

Home | Explore Downtown | About Main Street | Contact Us

Main Street Home

- Welcome to Main Street
- Calendar

- Upcoming Events
- ArtWalk...Downtown McKinney Is Hopping!

Events

Admin Area

relax

explore

excite

destination

Online

The screenshot shows the homepage of the Long Beach California website. At the top left is the logo "LONG BEACH CALIFORNIA" with a sun and waves icon and a temperature of 61°. To the right is the text "The Official Online Travel & Entertainment Guide" and a search bar with "Maps & Directions | Search:" and a dropdown arrow. Below this is a navigation bar with links: "audio: on / off", "Video Tour", "Visitors", "Meeting Planners", "Members", "Press", and "Wedding Planners". A secondary navigation bar has tabs for "MAIN", "STAY", "DINE", "SHOP", "PLAY", and "EVENTS". On the left is a sidebar menu with items: "Long Beach Overview", "Arts & Culture", "Nightlife", "Service Providers", "Special Offers", "Sports & Recreation", "Transportation", and "Free Guide Request". The main content area features a large image of a harbor at night with the text "Long Beach" and the tagline "Not just another pretty beach". A "replay" button is in the bottom right of the image. Below the image are three promotional boxes: "Aquarium of the Pacific" (celebrating its 10th anniversary), "Toyota Grand Prix" (April 16-19, 2009), and "Arts & Culture". Each box includes a small image and a "More>>" link.

LONG BEACH CALIFORNIA 61°

The Official Online Travel & Entertainment Guide

Maps & Directions | Search:

audio: [on](#) / [off](#) | [Video Tour](#) | [Visitors](#) | [Meeting Planners](#) | [Members](#) | [Press](#) | [Wedding Planners](#)

[MAIN](#) | [STAY](#) | [DINE](#) | [SHOP](#) | [PLAY](#) | [EVENTS](#)

- Long Beach Overview
- Arts & Culture
- Nightlife
- Service Providers
- Special Offers
- Sports & Recreation
- Transportation
- Free Guide Request

Long Beach

Not just another pretty beach

replay

Aquarium of the Pacific
The Aquarium of the Pacific is one of Long Beach's most popular attractions that houses more than 12,500 animals and allows its visitors to explore sunny Southern

[More>>](#)

Toyota Grand Prix
April 16, 2009 - April 19, 2009:
The Champ Cars will run on an unchanged 1.97-mile race circuit encompassing the Pike at Rainbow Harbor, Aquarium of the Pacific and Long Beach

[More>>](#)

Arts & Culture
A diverse range of live performance venues call Long Beach home. Whether it's a symphony, opera, musical, drama or dance, Long Beach's award winning performing

[More>>](#)

Online

See | Sleep



Dine | Shop

ANNAPOLIS IN PINK PASSPORT

Celebrate spring along the beautiful Chesapeake Bay in Annapolis & Anne Arundel County.

Plan a getaway that blends the National Cherry Blossom Festival with our area's coastline, world-famous crabs and seafood, relaxing spas and historic treasures. And **save 20%** off with participating partners during your stay with the **Annapolis in Pink Passport**.

Save 20% Now

sound off

- ▶ GETAWAYS
- ▶ TRIP IDEAS
- ▶ VISITOR INFO
- ▶ EVENT CALENDAR

MY CONCIERGE

BOOK A ROOM

REQUEST A GUIDE

- ▶ Meetings
- ▶ Groups
- ▶ Sports
- ▶ Media
- ▶ CVB Partners

Accolades

Tourism Works!

GOAL 2: Targeted Marketing Campaign

Strategy 2.1

Organize and launch an external marketing campaign.

Tactic 2.1.3: **Market to tourists.**

- Greater Houston area residents
- Target early adopters while redeveloping
- Neighborhood association newsletters
- Major Houston area attractions

GOAL 2: Targeted Marketing Campaign

Strategy 2.1

Organize and launch an external marketing campaign.

Tactic 2.1.3: Market to culinary businesses.

- Culinary academy
- Farmer's market
- Specialty grocers
- Wine merchants
- Restaurants

GOAL 2: Targeted Marketing Campaign

Strategy 2.1

Organize and launch an external marketing campaign.

Tactic 2.1.3: **Market to real estate developers.**

- Database of commercial developers
- Webpage dedicated to Master Plan and catalyst projects
- One to one meetings
- Host commercial broker tours

GOAL 2: Targeted Marketing Campaign

Strategy 2.1

Organize and launch an external marketing campaign.

Tactic 2.1.3: **Market to retailers.**

- Marketing materials showcasing retail site, Fairmont, Main Street
- Attend and exhibit at ICSC in San Antonio

GOAL 2: Targeted Marketing Campaign

Strategy 2.2

Organize and launch an **internal marketing campaign**.

Tactic 2.2.1: Share this Strategic Plan

- Local press
- Flyer in utility bills, ISD, etc.
- Public roll out event

GOAL 2: Targeted Marketing Campaign

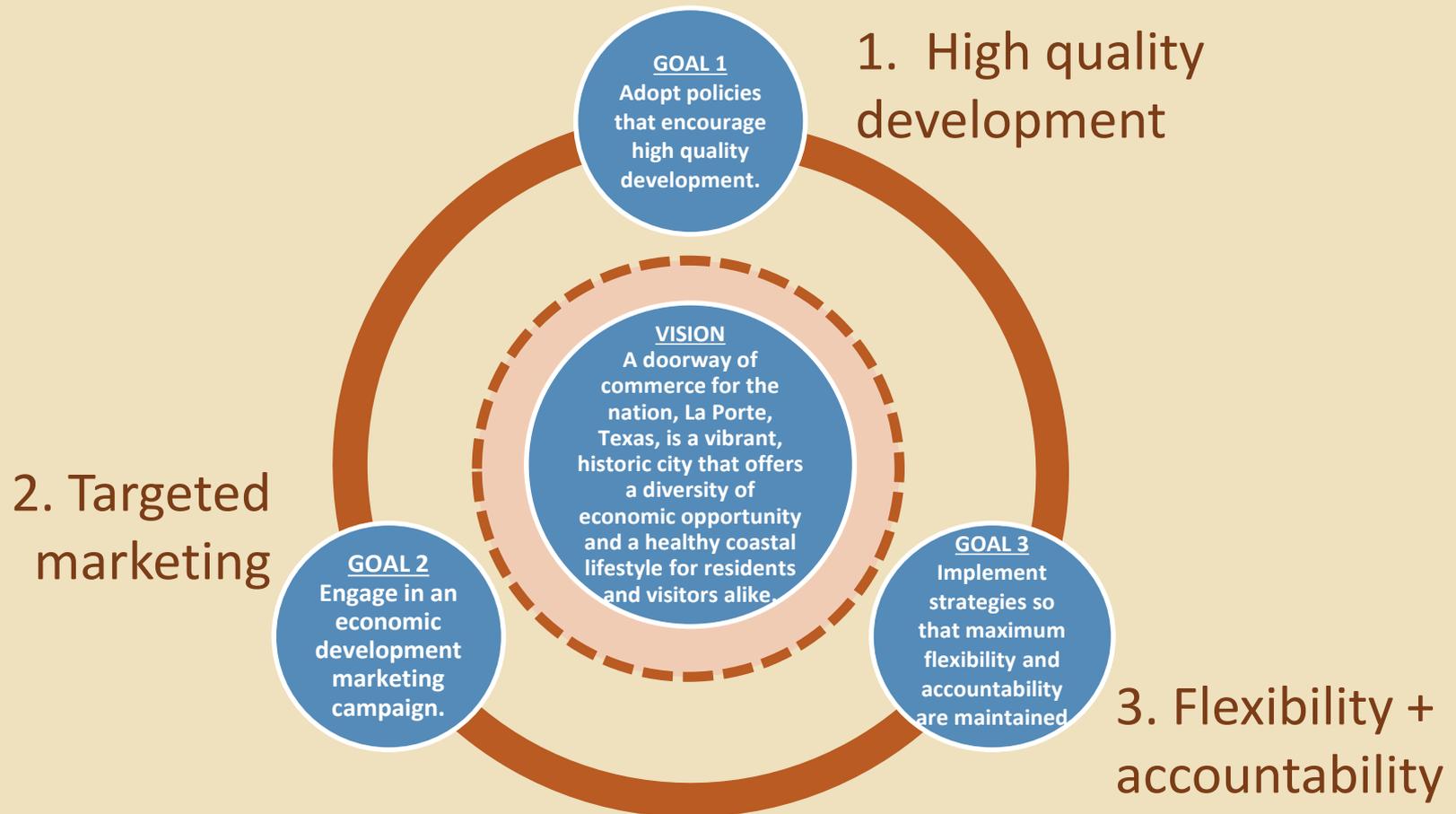
Strategy 2.2

Organize and launch an **internal marketing campaign**.

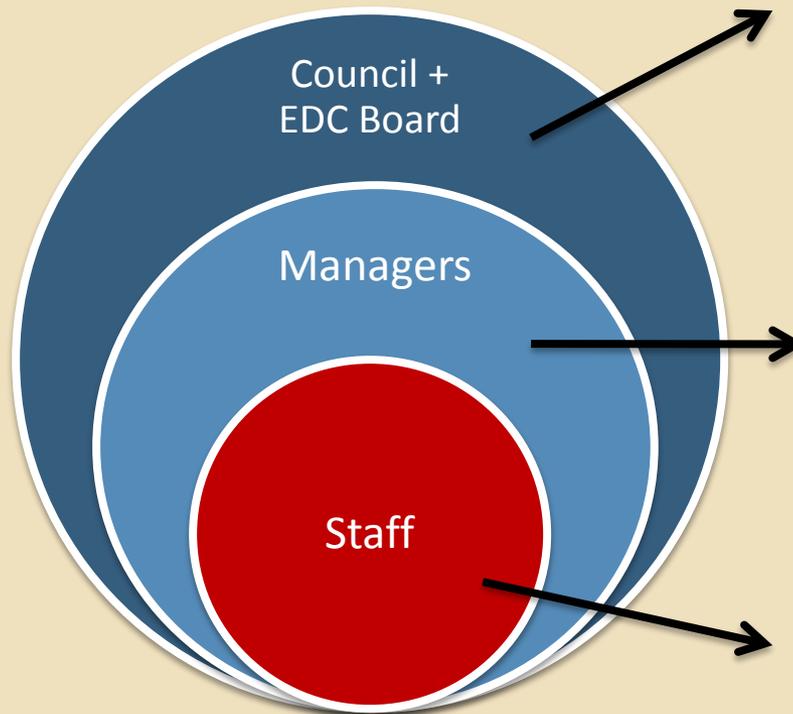
Tactic 2.2.2: **Formalize communications role at City**

- Media relations
- Communicating with public about eco. Development
- Newsletter and annual report
- Website updates
- Collateral materials
- Public opinion survey

La Porte Economic Development Goals



GOAL 3: Flexibility and Accountability



- ✓ Long-term focus
- ✓ Ensure decisions support mission, vision, and goals of Plan

- ✓ Mid-term focus
- ✓ Ensure departments and staff work in unison to accomplish goals of Plan

- ✓ Daily implementation
- ✓ Carry out strategies and tactics

FORWARD LA PORTE

Agenda

- Project Update
- Economic Development Strategy
- Conclusion



Final Deliverables

Chapter 1: Community Assessment

- Economy
- Public Input

Chapter 2: SWOT Analysis + Target Audiences

Chapter 3: Development Policy Review

- Comp Plan
- Development Policies
- Main Street

Chapter 4: Action Plan

- Master Plan
- Main Street
- Sylvan Beach
- Retail District
- Incentives
- Marketing

Chapter 5: Implementation Guide

- Metrics
- Assignments
- Calendar
- Resources

FORWARD LA PORTE



Thank you!



REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: 11 November 2015

Requested By: Scott D. Livingston

Department: Economic Development

Report: Resolution: Ordinance:

<u>Budget</u>		
Source of Funds:	<u>N/A</u>	
Account Number:	<u>N/A</u>	
Amount Budgeted:	<u>N/A</u>	
Amount Requested:	<u>N/A</u>	
Budgeted Item:	YES	NO

Exhibit: _____

Exhibit: _____

SUMMARY & RECOMMENDATION

Per the Board’s vote and direction on 30 September 2015, the members of the ED Retail Incentives Committee -- Richard Warren, Jay Martin, Randy Woodard, and Staff -- met on Monday, 19 October 2015. The purpose of the committee and the meeting were to discuss financial incentives for new or expanding retail businesses in the City of La Porte.

As a result of that meeting, the committee wishes to offer the following recommendations for the Board’s consideration:

1. Incentives for new or expanding retail businesses should be limited to the *lesser* of:
 - (a) A maximum 10 year payback of the business’s new/additional tax revenues to the City of La Porte, or
 - (b) Up to 25% of the business’s total expenditures for “infrastructure”, “site improvements”, and “other related improvements”;
2. Increase the maximum contribution of the Board to projects in the La Porte Enhancement Grant Program from \$25,000 to \$50,000; and
3. Any project that does not meet these parameters will be considered on a case-by-case basis.

Currently the only exception to Item 1, particularly as it pertains to **expanding** retail businesses, is Fischer’s Do It Best Hardware. Therefore, rather than creating a new retail incentive policy based upon one exception, exceptions to this policy may be considered on a case by case basis

If the Board would like to create a broader incentives policy for **all** new or expanding businesses in La Porte, for both “primary” jobs and “non-primary” jobs (i.e. retail), then please consider adding these two items to those above:

1. Businesses that create new “primary jobs” will receive additional value, which will be calculated as an “Adjusted Payback”, and

2. Allow “primary job training” as an eligible expense toward a business’s 25% total expenditure.

All other discussions will be reserved and included in the process to formulate the new ED Strategic Plan.

Action Required by the La Porte Development Corporation Board:

Consider approval or other action to adopt the findings of the ED Incentives Committee and approve a new incentives policy for all new or expanding businesses in La Porte.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date