AUSTIN COUNTY ECONOMIC RESILIENCE PROFILE

Contents

Introduction

Economic resilience is the ability to withstand and prevent disruptions to the economy. The most common types of disruptions include downturns in the economy or in a key industry; the exit of a major employer; and natural or man made disasters.

Creating a resilient economy requires the ability to anticipate risk, evaluate how risk can impact economic assets, and build the capacity to respond to disruptions.

This profile is intended to provide an overview of the factors affecting the future growth, development and resilience of Austin County and it's economy by providing key data points on the economy, demographics, and other useful information.

Austin County Boundaries

Austin County

Other counties

Top 3 cities

Major roads

County Seat: Bellville
Largest City: Sealy

Austin Overview

Austin is a largely rural county with approximately 29,000 residents, 35 miles west of Houston, and 110 miles south east of Austin[1,2]. Its landscape varies from rolling hills to coastal prairie in the south. The county's population centers include the Sealy area, a growing community on the Interstate 10 corridor actively seeking business development, and the county seat, Bellville, on State Highway 36 which seeks to maintain its bucolic character. State Highway 36 runs through the center of the county, connecting Austin County to I-10. Austin County is defined by the Brazos River to the east and the San Bernard River to the west. Austin County is predicted to grew by 67% from 1980 to 2015, and is expected to reach 50,000 residents by 2040[3]. The county is immediately west of the fast-growing Katy area. With the ongoing growth along the Interstate 10 corridor, residential growth in the Katy area will continue its westward trajectory with master-planned communities crossing the Brazos river into Austin County in the foreseeable future.

Austin County's economy includes agriculture (with an annual market value of $43.5 million)[4], varied manufacturing, distribution, and oil and gas services[5]. Sixty percent of Austin County's agricultural output is in livestock and forty percent is in crop sales[6]. It ranks third in the State of Texas for nursery, greenhouse, floriculture, and sod production[7]. Austin County has strong traded clusters in distribution, lighting and electrical equipment, biopharma, leather goods, and oil and gas. (Traded clusters are groups of related industries that serve markets beyond the region in which they are located[8].) Its strongest clusters are in construction and distribution[9].

Agriculture in Austin County includes forty percent livestock output.

Recent Disruptions to the Economy

Hurricane Harvey caused flooding and destruction across Austin County, washing out roads, culverts, damaging bridges, and flooding subdivisions. Parts of the county were evacuated as the Brazos and San Bernard rivers and Mill and Allen's creeks left their banks. The total damages from Harvey are still being assessed, unfortunately, this is not Austin County's only recent flood event. Austin County was affected by three major floods in thirteen months (2015-2016). These floods washed out bridges, damaged and destroyed homes, closed the state park, destroyed a golf course, and nearly destroyed Sealy's sewage treatment plant. Farmers and ranchers lost fences, equipment, and livestock; businesses were forced to close and several were damaged by flood waters. Flooding is the most serious natural hazard faced by Austin County.

In 2008, Hurricane Ike caused flood and windstorm damage in Austin County, this was followed closely by the Great Recession. It is hard to isolate the effects of each of these two major events on Austin County. The effects of the downturn in the economy caused unemployment to climb from 3.3% in April of 2008 to 8.9% in July of 2011[10]. In 2011-2012 Texas experienced a significant drought; many cattle producers were forced to reduce their herds as fodder crops failed. The county maintenance costs increased as the drought caused roadbeds to shift and pipes to crack. In 2010, BAE Systems, a major employer, began shuttering its doors leaving more than seven hundred Austin County residents without employment. Losing a major employer was a shock to the county's economy, and many residents were forced to seek employment outside of the county.

Economic Resilience Strategies

To enhance economic resilience, Austin County needs to improve its drainage. This need was identified in the 2002-2012 Austin County Economic Development Plan, the 2007 Austin County Vision and Strategic Plan, and in the 2017 economic resilience workshop. The City of Sealy and Austin County are seeking an expansion of I-10 to three lanes in each direction, extending to Highway 71 in Columbus. The Texas Department of Transportation has plans to begin expansion of I-10 in Austin county in 2020; but the traffic is impacting residents and businesses now. The I-10 corridor routinely experiences traffic jams, often caused by Houston residents returning from weekend trips to points west. The expansion of I-10 will begin in 2018 from the Brazos to FM3538. To promote industrial expansion and job growth, Austin County needs to increase prepared development sites that manufactures are looking for when locating their facilities by providing utilities to sites along the I-10 corridor. Austin County has two outdoor lighting manufacturers, this could be the beginning of an economic cluster, Austin County should work to attract complimentary businesses.

Recommendations

Austin County's economy will be better able to withstand, avoid, and recover from disruptions if it is able to:

Engage with TxDOT to enhance communication and understanding of upcoming I-10 expansion. Coordinate with businesses to enhance their ability to respond to the negative impacts of construction.

Identify undeveloped parcels currently served by, or that may be easily connected to, the utilities need for light manufacturing or distribution.

Investigate potential strategies for better coordinated county-wide flood control strategies.

Seek to expand emerging cluster of outdoor lighting related manufacturing located in Austin County.
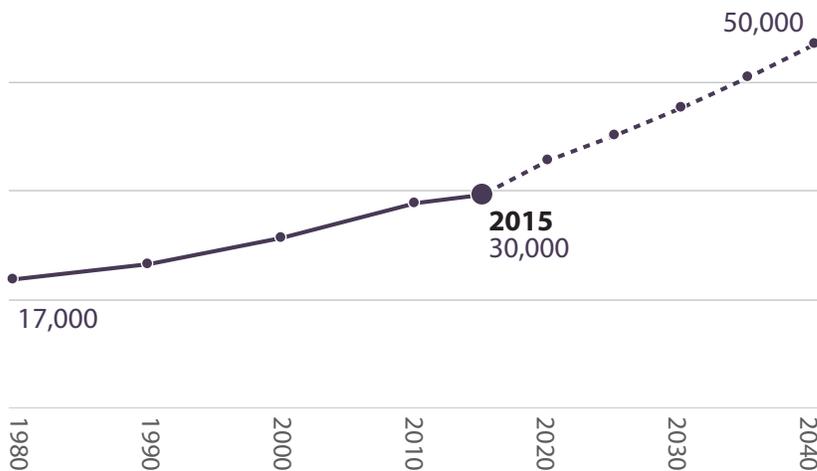
Land Use and Demographics
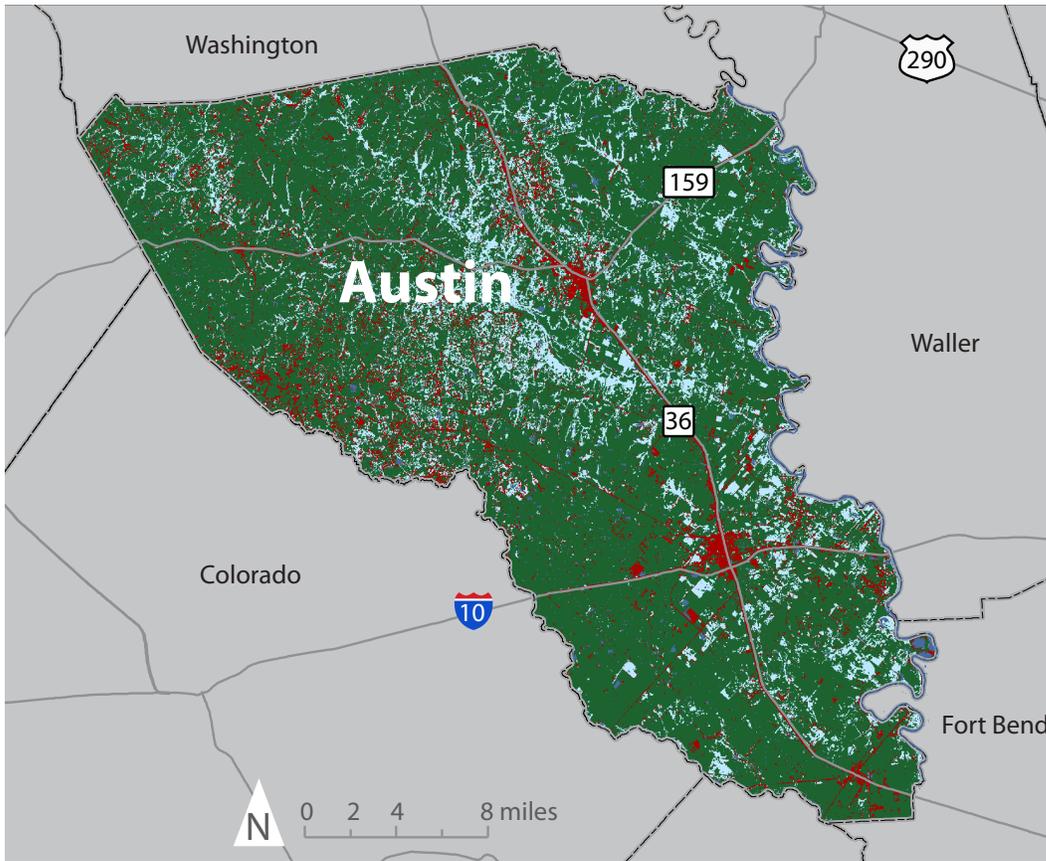
Austin County Land Use

	Other counties
1%	Open water
8%	Developed Land
14%	Wetlands
78%	Forest, shrubs, pasture, grasslands, barren lands and cultivated crops

In the above map, the predominance of pasture land can be seen, the Brazos River forms the eastern edge of the county, and San Bernard River to the west.

Population Growth Forecast

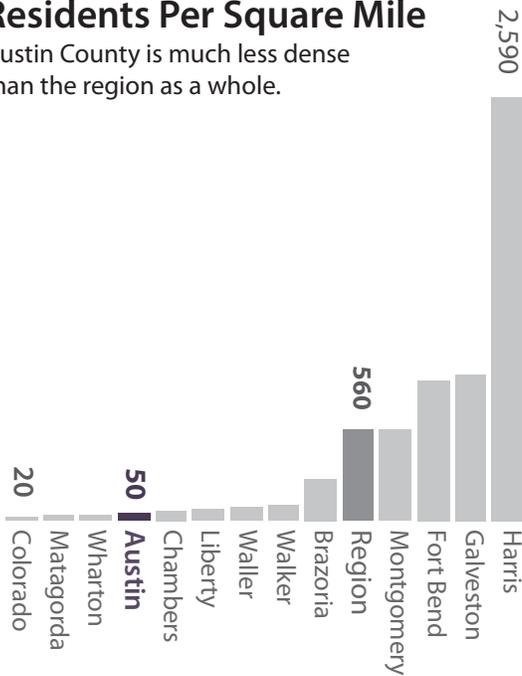Austin County grew by 67% from 1980 to 2015 and is expected to reach 50,000 residents by 2040.

50,000

2015
30,000

17,000

1980 1990 2000 2010 2020 2030 2040

Municipal Populations

The City of Sealy is Austin County's largest incorporated municipality.

6,490	Sealy
4,274	Bellville
1,298	Wallis
808	San Felipe
486	Brazos Country
325	Industry
16,077	Unincorporated

Land Use and Demographics

Residents Per Square Mile
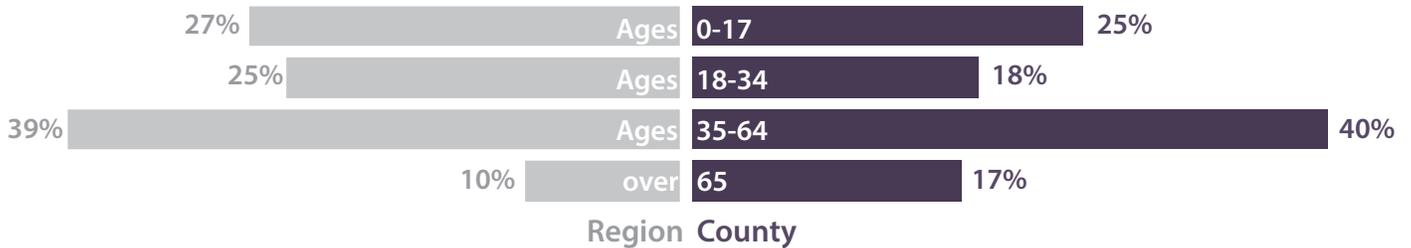Austin County is much less dense than the region as a whole.

2,590

560

20

50

Colorado, Matagorda, Wharton, **Austin**, Chambers, Liberty, Waller, Walker, Brazoria, Region, Montgomery, Fort Bend, Galveston, Harris

Median Household Income
Austin County has a slightly higher median household income than the region.

$53,200

$53,700

Walker, Matagorda, Wharton, Colorado, Liberty, Waller, Texas, Austin, Harris, Galveston, Montgomery, Brazoria, Chambers, Fort Bend
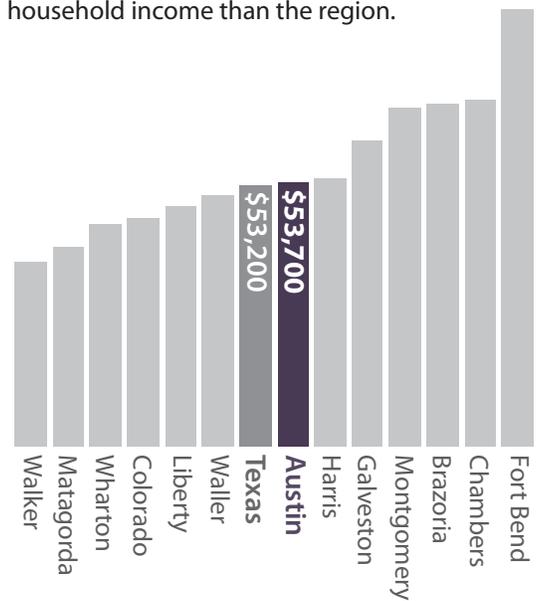
Age
Austin County has a larger portion of residents over 65 than the region.

Region	Ages	County
27%	Ages 0-17	25%
25%	Ages 18-34	18%
39%	Ages 35-64	40%
10%	over 65	17%

Region County

Poverty Rate
Austin County has a lower rate of poverty than the region, particularly for children.

	Overall	Children (under 18)	Seniors (65 and over)
County	12%	19%	8%
Region	16%	23%	10%
Texas	17%	25%	11%
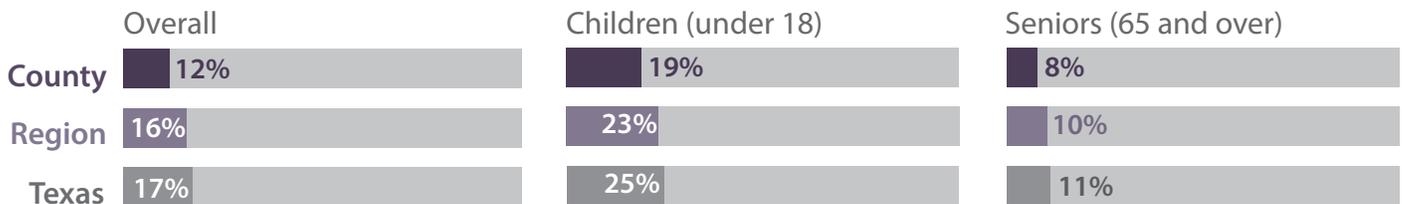
Housing

## Building Permits Issued (units)

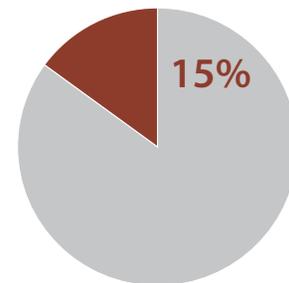Single-family construction remains stable after a post-2007 drop while multi-family permits remain low.

114

11
0

0

Single Family
22 units

Multi-Family **6 units**

1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012 2014 2016
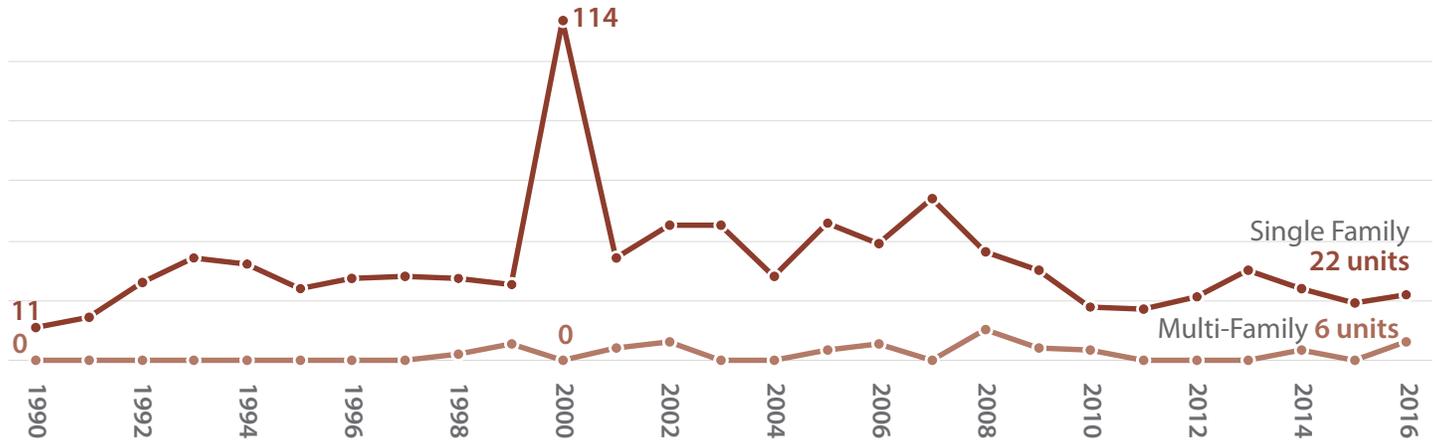
Housing Tenure

Austin County has a higher rate of homeownership than the region or the state.

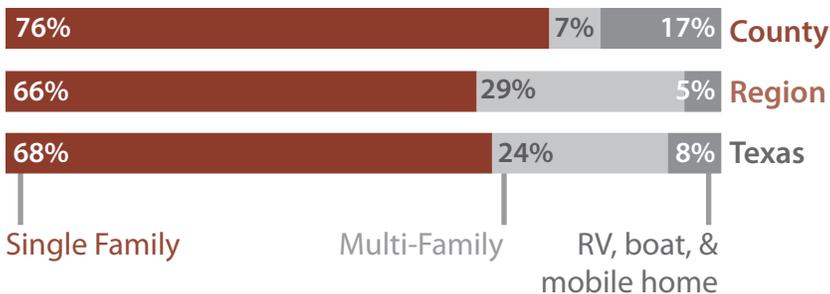| Owners 74%	Renters 26%	**County**
61%	39%	**Region**
62%	38%	**Texas**
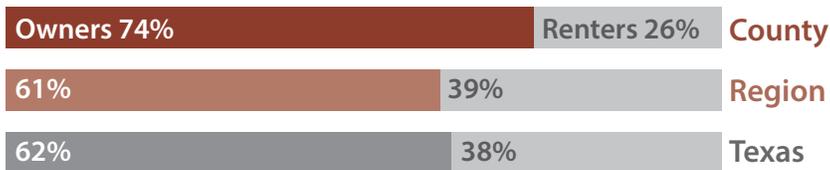
Vacant Housing Units

Around 15% of Austin County's housing units are vacant.

15%

Housing Type

Austin County's homes are mostly single-family residences.

76%	7%	17%	**County**
66%	29%	5%	**Region**
68%	24%	8%	**Texas**

Single Family   Multi-Family   RV, boat, & mobile home

Living Costs

Austin County households spend 54% of their income on transportation and housing.

27% Transportation

27% Housing
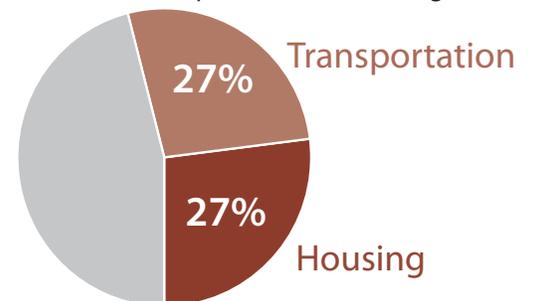
Economy

Top Industries by Percent of Overall Jobs

Austin County's workforce is not as reliant upon the Manufacturing industry as it was in 2002, and employment in industries like Retail Trade and Educational Services make up an increasing portion of county workers.

Manufacturing **29**%

Construction **13**%
Retail Trade **12**%
Educational **9**%
Services

18% Manufacturing
18% Retail Trade
12% Educational Services
11% Construction

2002

2014
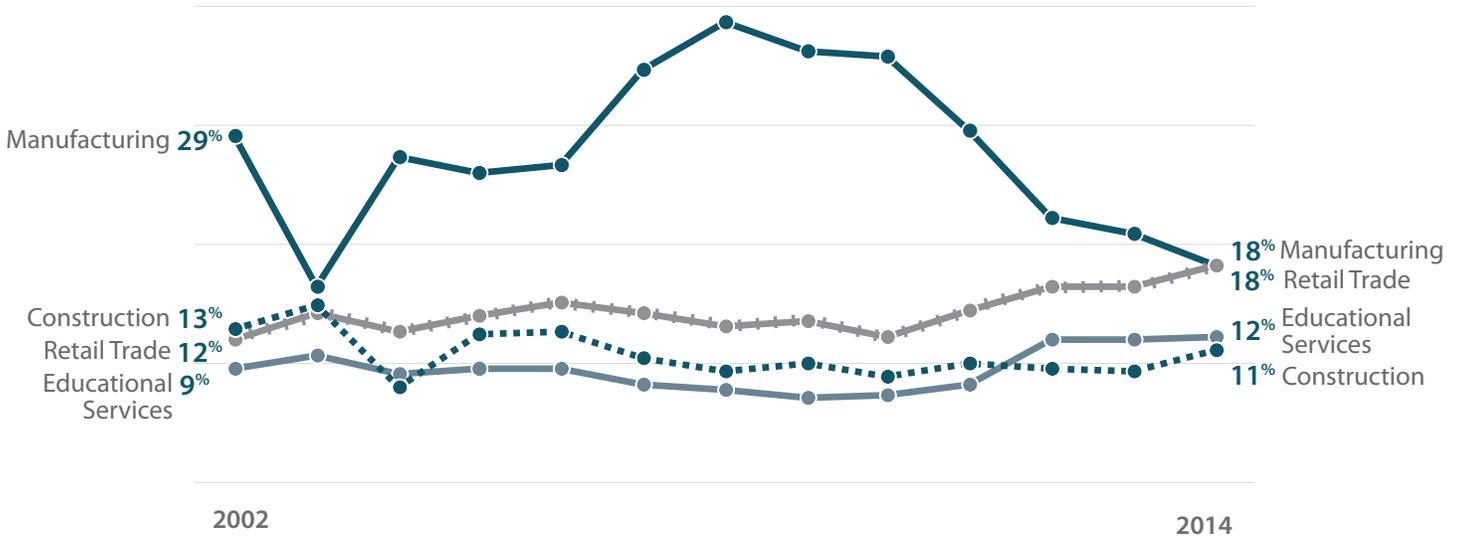
Unemployment Rate

Austin County's unemployment remained below the national average for a decade, but was higher in 2016.

9.6%

8.0%

4.6%

4.3%

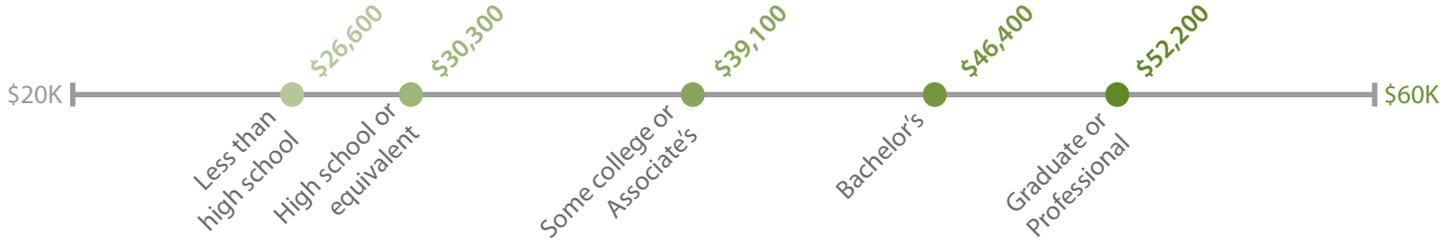County
5.3%

Nation
4.9%

2006
2008
2010
2012
2014
2016

Earnings of Residents

Around 45% of Austin County residents earn more than $40,000 annually, a lower percentage than the region.

52%

45%

36%

31%

19%
17%

Austin
Region

$15,000
or less

$15,000-
$40,000

$40,000
or more
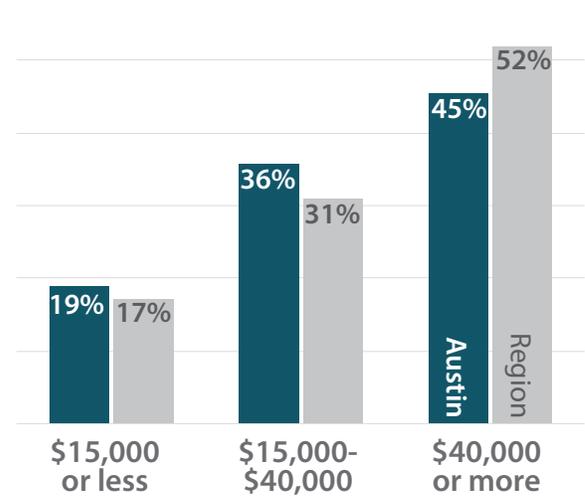
Education, Hazard Risks, and Commute

Median Earnings by Educational Attainment

An Austin County resident with a graduate or professional degree makes, on average, $25,600 more than a resident with less than a high school education annually.

$20K ———————————————————————————————— $60K

- $26,600 — Less than high school
- $30,300 — High school or equivalent
- $39,100 — Some college or Associate's
- $46,400 — Bachelor's
- $52,200 — Graduate or Professional

Educational Attainment

About 20% of Austin County residents have completed a bachelor's degree or higher, fewer than the region and state.

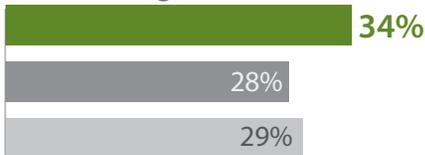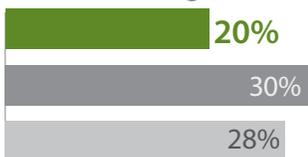### Less than High School
- County: 16%
- Region: 18%
- Texas: 18%
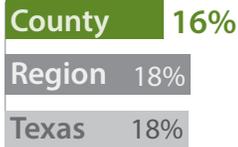
High School or Equivalent
- 30%
- 24%
- 25%
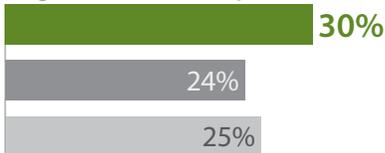
Some College or Associate's
- 34%
- 28%
- 29%

Bachelor's Degree or More
- 20%
- 30%
- 28%

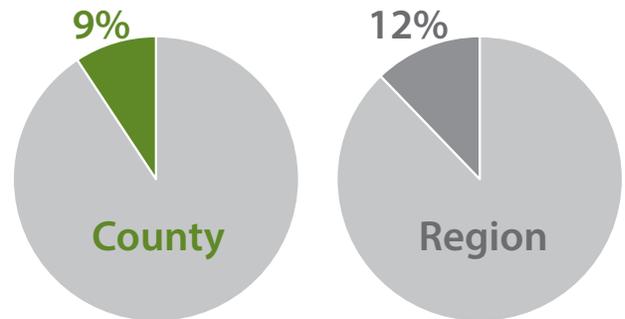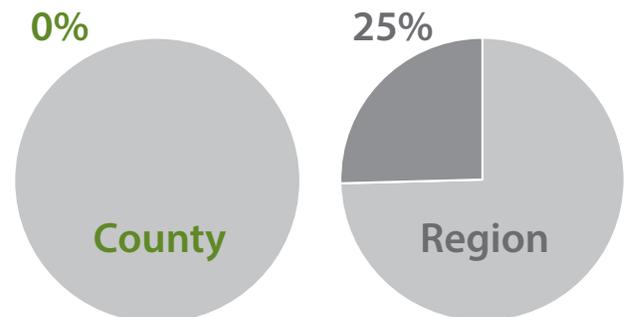## Residents in 100-year Floodplain

A smaller percentage of Austin County residents live in a 100-year floodplain than the region.
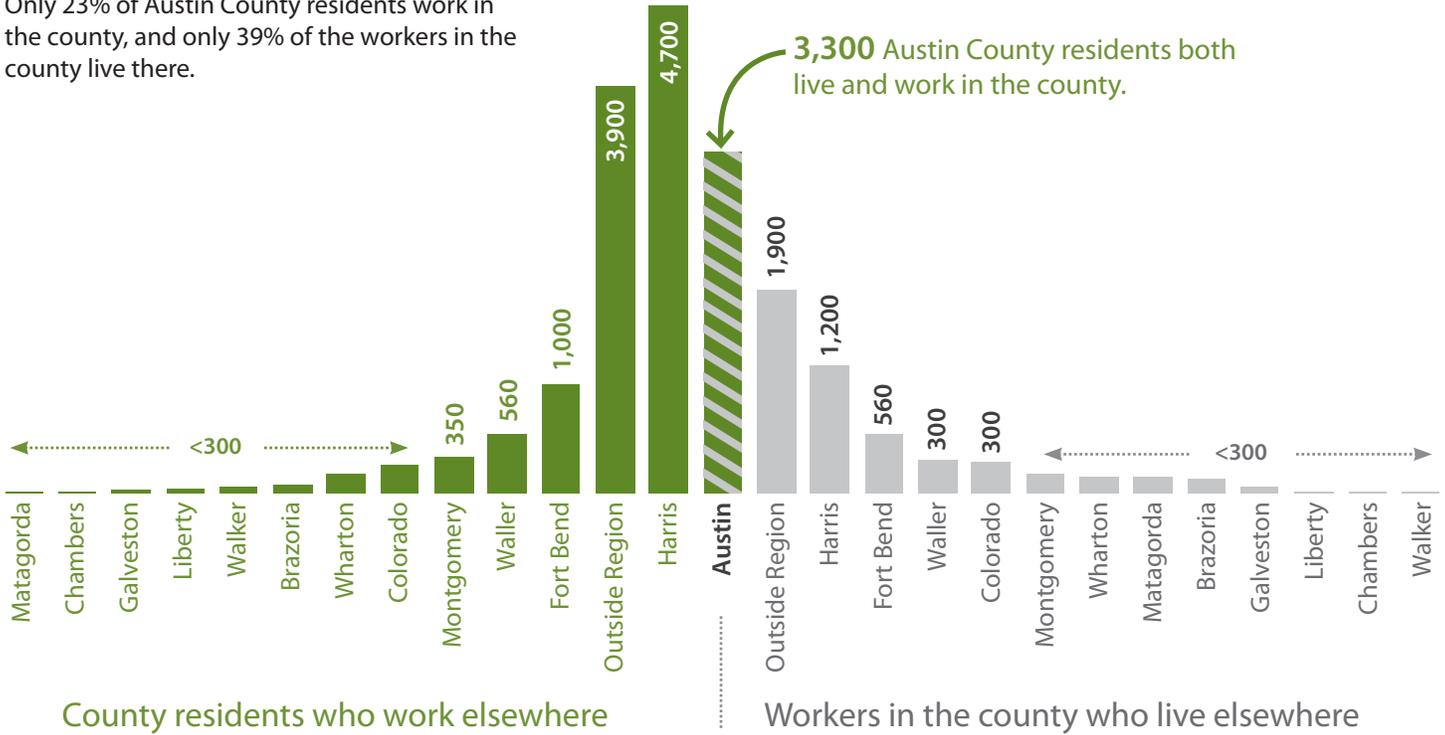
- County: 9%
- Region: 12%

Residents in Hurricane Evacuation Zone

No Austin County residents live in a hurricane evacuation zone, as opposed to 25% of the region's residents.

- County: 0%
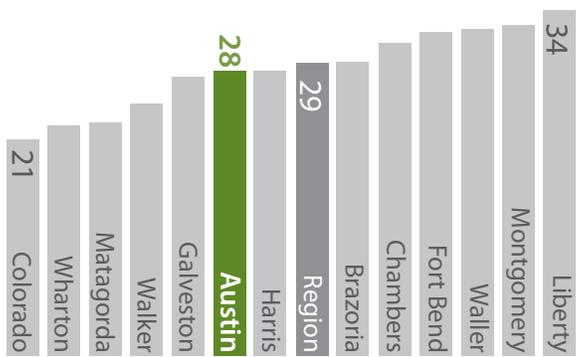- Region: 25%

Education, Hazard Risks, and Commute

Workers' Job & Home Destinations

Only 23% of Austin County residents work in the county, and only 39% of the workers in the county live there.
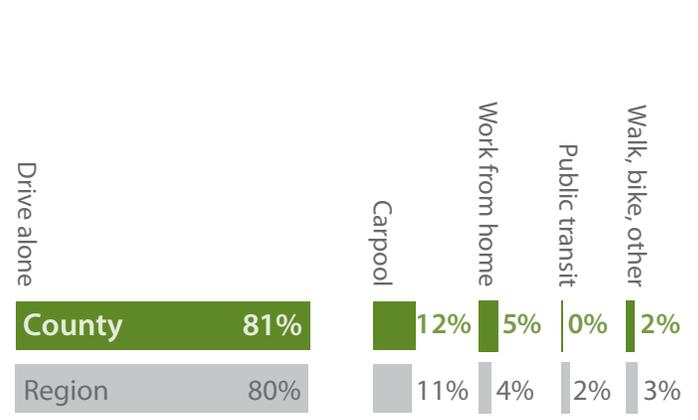
3,300 Austin County residents both live and work in the county.

Austin

County residents who work elsewhere

- Matagorda
- Chambers
- Galveston
- Liberty
- Walker
- Brazoria
- Wharton
- Colorado
- Montgomery — 350
- Waller — 560
- Fort Bend — 1,000
- Outside Region — 3,900
- Harris — 4,700

<300

Workers in the county who live elsewhere

- Outside Region — 1,900
- Harris — 1,200
- Fort Bend — 560
- Waller — 300
- Colorado — 300
- Montgomery
- Wharton
- Matagorda
- Brazoria
- Galveston
- Liberty
- Chambers
- Walker

<300

Mean Commute to Work (minutes)

Austin County workers commute for about the same amount of time as the region as a whole.

- Colorado — 21
- Wharton
- Matagorda
- Walker
- Galveston
- **Austin — 28**
- Harris
- Region — 29
- Brazoria
- Chambers
- Fort Bend
- Waller
- Montgomery
- Liberty — 34

Commute Mode to Work

Austin County's workers have a similar commute split as the region as a whole.

Drive alone
- County — 81%
- Region — 80%

Carpool
- County — 12%
- Region — 11%

Work from home
- County — 5%
- Region — 4%

Public transit
- County — 0%
- Region — 2%

Walk, bike, other
- County — 2%
- Region — 3%

Economic Clusters

A cluster is a concentration of related businesses that make the area more competitive in those industries. Clusters exist where a set of related industries in a given location reach critical mass. Clusters enhance productivity and spur innovation by bringing together technology, information, specialized talent, competing companies, academic institution, and other organizations.

Traded clusters are groups of related industries that serve markets beyond the region in which they are located. Local clusters, in contrast, consist of industries that serve the local market. They are prevalent in every region of the country, regardless of the competitive advantages of a location.
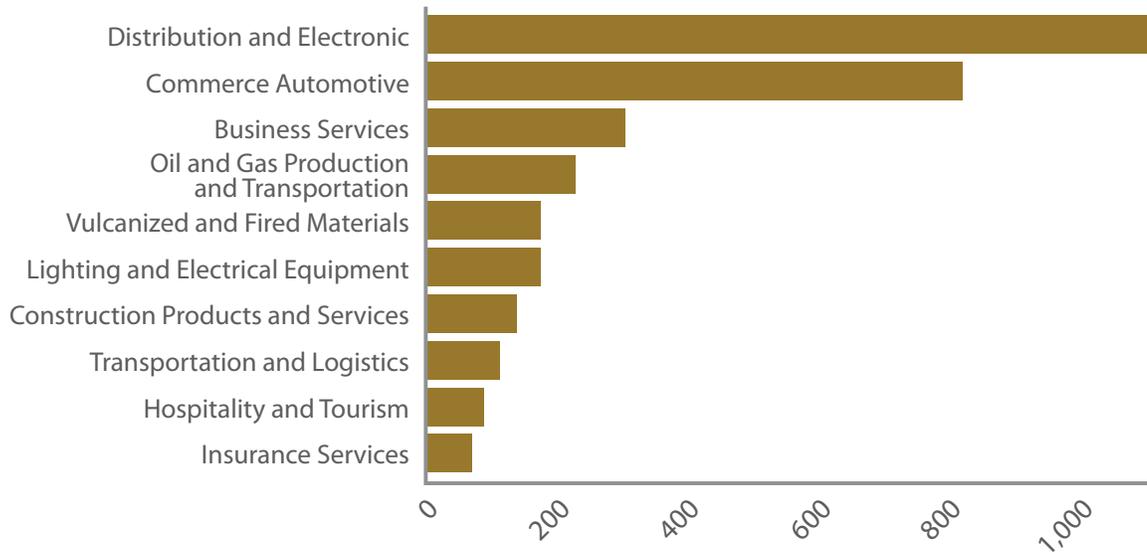
Traded v. Local Clusters

This diagram demonstrates the county's split between the traded and local sectors of the economy, based on 2014 data from the U.S. Census.

Local 60%

Traded 40%

Employment by Cluster

This bar graph demonstrates Austin County's employment by each cluster. It is based on 2014 data from the U.S. Census, and does not reflect the closing of BAE Systems and its impacts on the local economy.

Cluster	Employment
Distribution and Electronic	~1,130
Commerce Automotive	~820
Business Services	~300
Oil and Gas Production and Transportation	~230
Vulcanized and Fired Materials	~170
Lighting and Electrical Equipment	~175
Construction Products and Services	~135
Transportation and Logistics	~110
Hospitality and Tourism	~80
Insurance Services	~65

Local Planning

These plans highlight efforts in Austin County to plan for disaster recovery and economic resiliency.

Austin County Hazard Mitigation Plan

Austin County is developing a Hazard Mitigation Plan for release in 2019. Austin County participated in the 2011 Update of the *Regional Hazard Mitigation Plan*. The Regional Hazard Mitigation plan was created in 2006 by the Houston-Galveston Area Council, the Texas Division of Emergency Management, and 85 local governments. The comprehensive plan identifies regional hazards and vulnerabilities, and includes over 300 mitigation projects that could be implemented within the region.

The plan identified five mitigation actions for Austin County:

- Create wildfire breaks and defensible corridors and remove hazardous fuels to protect historic areas and roadways.
- Update commodity flow study for increased rail and truck traffic.
- Conduct wildfire outreach and education campaign.
- Expand evacuation and alert system to accommodate population growth.
- Improve subdivision regulations in Extra Territorial Jurisdiction (ETJ) to protect mobile homes against wind and tornadoes. Recommendation for mobile homes will ensure protection against straight line winds high velocity winds.

Austin County Vision and Strategic Plan
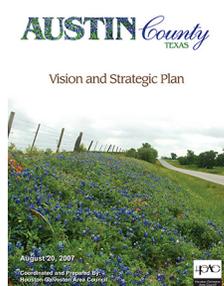
In a 2007 visioning workshop, Austin County began gathering input for community priorities for future growth. More than 150 participants provided insights though discussions, surveys, and a mapping exercise.

The outgrowth of this workshop is the Austin County Vision and Strategic Plan. This plan lays out an economic development goal of attracting and retaining a talented workforce. Action steps for achieving this goal include implementing a countywide economic development strategy and promoting eco-tourism and heritage tourism opportunities. The plan also identifies enhancing municipal facilities as a goal for drainage with an action step to create a Floodplain Management Plan.

Bellville Revitalization Master Plan

The *Bellville Revitalization Master Plan* was created by Texas A&M to examine how Bellville can improve its downtown and drive economic development. The plan examines Bellville's urban design elements and recommends best practices from similar communities. Downtowns represent crucial physical and social infrastructure that need planning. This plan examines the flood plain, but focuses on improving downtown.

City of Sealy's Comprehensive Plan
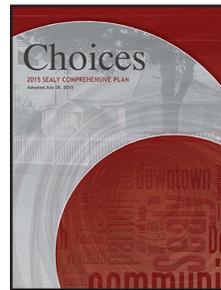
Choices 2015 is the City of Sealy's comprehensive plan. The plan seeks consensus on how best to accomplish the continuing vision of a well-planned and highly attractive community, while balancing private and public interests. It lays out the community's vision, mission, core values and goals.

The following community and economic development goals were identified:

- Continue to enhance the community character of Sealy
- Expand opportunities for redevelopment and economic growth in the Downtown Development District while respecting the existing historic character
- Improve urban design and aesthetics along major corridors and city gateways
- Establish a plan to identify available land for purchase to provide an economic development incentive;
- Provide a city that allows citizens to live, shop, work, play, learn and worship
- Attract businesses that create primary jobs and career opportunities in Sealy
- Encourage investment in infrastructure to enhance economic development

The comprehensive plan includes the *2014 Sealy Strategic Plan*, which set the vision, mission, and core values for the comprehensive plan.

Data Sources for the Austin County Profile

Austin County Overview

1. U.S. Census
2. Texas State Historical Association
3. Houston-Galveston Area Council
4. USDA 2012 Census of Agriculture
5. U.S. Cluster Mapping
6. USDA 2012 Census of Agriculture
7. USDA 2012 Census of Agriculture
8. U.S. Cluster Mapping
9. U.S. Cluster Mapping

Recent Disruptions to the Economy

10. Federal Reserve Bank of Saint Louis, U.S. Bureau of Labor Statistics

Graphics

County Boundaries Map. Houston-Galveston Area Council, 2017.

County Land Use Map. Houston-Galveston Area Council, 2017.

Population Growth Forecast. Houston-Galveston Area Council, 2017.

Residents Per Square Mile. Houston-Galveston Area Council, 2017.

Age. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table B01001.

Median Household Income. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table S2503.

Poverty Rate. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table S1701.

Building Permits Issued. U.S. Census Bureau, Building Permits Survey, 1990-2015.

Housing Tenure. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table DP04.

Vacant Housing Units. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table DP04.

Housing Type. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table DP04.

Living Costs. Center for Neighborhood Technology 2013 H+T® Index.

Top Industries by Percent of Overall Jobs. U.S. Census Bureau, 2002-2014, OnTheMap Application, Longitudinal-Employer Household Dynamics Program.

Unemployment Rate. U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, 2006-2016.

Earnings of Residents. U.S. Census Bureau, 2014, OnTheMap Application, Longitudinal-Employer Household Dynamics Program.

Median Earnings by Educational Attainment. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table B20004.

Educational Attainment. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table S1501.

Residents in 100-year Floodplain. Houston-Galveston Area Council, 2017.

Residents in Hurricane Evacuation Zone. Houston-Galveston Area Council, 2017.

Workers' Job & Home Destinations. U.S. Census Bureau, 2014, OnTheMap Application, Longitudinal-Employer Household Dynamics Program.

Mean Commute to Work (minutes). U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table S0802.