

**2009-2011 Comprehensive Economic Development Strategy
Gulf Coast Economic Development District**

Adopted by the GCEDD Board of Directors – July 17, 2009

Prepared by:



Gulf Coast Economic Development District

P.O. Box 22777, Houston, TX 77227-2777

3555 Timmons Lane, Suite 120, Houston, TX 77027

www.gcedd.org

Made possible in part by a grant from the U.S Economic Development Administration

TABLE OF CONTENTS

| | |
|------------------------------------|----|
| 1.0 INTRODUCTION | 1 |
| 2.0 AREA OVERVIEW | 3 |
| 3.0 REGIONAL RESOURCES | 10 |
| 4.0 REGIONAL NEEDS | 16 |
| 5.0 REGIONAL VISION AND GOALS..... | 20 |
| 6.0 ACTION PLAN | 22 |
| 7.0 EVALUATION PLAN..... | 25 |

LIST OF APPENDICES

Appendix A: Regional Cluster Analysis

Appendix B: 2009 Board Roster

Appendix C: Project Selection Process

Appendix D: Board Minutes Adopting CEDS

Appendix E: FEMA-1791-DR Disaster Declared Counties

1.0 INTRODUCTION

1.1 The Gulf Coast Economic Development District

The Gulf Coast Economic Development District (GCEDD or the “District”) is the federally designated economic development planning body for the 13-county Gulf Coast State Planning Region. The District’s primary functions are to (1) coordinate the economic development activities of the planning region, (2) provide technical assistance to economic development organizations of the region, and (3) maintain the region’s eligibility to apply for economic development grants and assistance from the Economic Development Administration (EDA).

The GCEDD was incorporated in the State of Texas as a non-profit corporation on June 10, 1988. Organizational work to establish the District was done by H-GAC staff with partial funding through a grant from the EDA. The EDA officially designated the GCEDD as an Economic Development District (EDD) in January 1991, and the District became an IRS 501(c) (3) in 1995.

The Houston-Galveston Area Council (H-GAC) provides administrative and operational staff support for the District. Their work is directed by the District's Board of Directors, which is composed of 34 representatives from local governments, businesses, economic development organizations and minority interests. The Board of Directors meets quarterly and the Board's six-person Executive Committee meets monthly.

About the Houston-Galveston Area Council

The Houston-Galveston Area Council (H-GAC) is a voluntary association of local governments and local elected officials in the 13-county Upper Gulf Coast region of Texas. The region served by H-GAC covers 12,500 square miles and has a population of 5.7 million people. H-GAC was organized in 1966 by local elected officials after the passage of state enabling legislation. Currently, H-GAC has 149 member counties, cities, and school districts.

The economic development programs of H-GAC are administered by its Community and Environmental Planning Department. H-GAC’s economic development staff coordinate their activities with numerous federal and state agencies, including the Economic Development Administration, Rural Development (formerly Farmers Home Administration), Small Business Administration, The Office of Rural and Community Affairs, the Texas Department of Commerce and the Texas Department of Housing and Community Affairs. H-GAC staff also provides technical assistance on various community and economic development issues; including planning, data collection, alternative financing and grant programs.

H-GAC also conducts a regional clearinghouse review of major federal and state grant-funded projects under the Texas Review and Comment System. This review is to ensure that projects are consistent with regional plans and policies, are not duplicative of existing programs and are cost effective.

In order to provide a vehicle for long-term economic development planning at the regional level, H-GAC established the Gulf Coast Economic Development District.

1.2 Comprehensive Economic Development Strategy (CEDS)

The District has formulated this Comprehensive Economic Development Strategy (CEDS), in accordance with the requirements of the U.S. Economic Development Administration (EDA) to provide a framework for regional economic development planning. This document can also be utilized as a resource for economic development information in the region. In accordance with its purpose, the CEDS is divided into the following sections:

Area Overview

This section includes an analysis of the current conditions, trends and issues that will affect the regional economy.

Vision and Goals

This section includes the answer to the question "Where do we want to be in the next ten to twenty years?" It includes a series of goals and objectives that are intended to further the region's progress towards its vision statement.

Action Plan

This section identifies the activities intended to propel the region towards the fulfillment of the identified goals and the ultimate vision. This section establishes a framework of prioritized programs and activities along with an implementation schedule.

Evaluation Plan

This section describes the process the District will use to evaluate its action plan and its goals. It includes performance measures to be used as a gauge for evaluating progress and to identify activities that do not support the District's overall mission.

In the final analysis, the CEDS is an evolving process that will continue to be refined over time. Throughout the CEDS, websites are identified to provide expanded information or source documentation of the information presented in the document. We welcome any comments or suggestions on improving our service to the region. For more information about the District or to submit your suggestions, contact the following H-GAC staff: **Chuck Wemple**, Economic Development Program Manager, (713) 627-3200 cwemple@h-gac.com **Website:** <http://www.gcedd.org>

1.3 A Note on Hurricane Ike and the December 2008 and July 2009 CEDS Revisions

The District's staff revised the board-approved 2005 CEDS in December 2008 to include economic development and recovery needs associated with the impact of Hurricane Ike, which made landfall during October 2008. This revision expanded the applicability of the CEDS to specifically include disaster recovery associated with Hurricane Ike and other 2008 Natural Disasters within the regional priorities list and within the list of needs for impacted counties. The goal of the revision is to strengthen the CEDS to reflect the severe disruption to local economies and communities associated with Hurricane Ike and increase the linkage between the CEDS, various sources of newly identified grant funding (EDA, CDBG and others) and future grant applications. The bulk of the 2005 CEDS remained the same with minor corrections for typographical errors, updating the GCEDD logo, the addition of a table of contents and the 2008 Board of Directors roster, and county-specific comments received from a small number of directors during early 2008. While the GCEDD has continued to implement the 2005 CEDS since its adoption in November 2006, The GCEDD further updated and revised the CEDS in July 2009 to include a fresh look at regional needs, priorities and goals.

2.0 AREA OVERVIEW

The Gulf Coast Economic Development District serves thirteen counties along the Upper Gulf Coast of Texas. This 13-county area, known as the Gulf Coast Planning Region, encompasses approximately 12,500 square miles and includes more than 5.7 million people and over 120 cities.

The Gulf Coast region achieved a prosperous economy due to a long history of entrepreneurs and substantial natural resources; first cotton and cattle, then crude oil. From 1970 until the early 1980s the Gulf Coast region was one of the fastest growing in the country, bolstered primarily by the strength of the petroleum industry. After recovering from the energy bust of the late 1980's, Houston began a steady rise in becoming a top metro area in the country for jobs, cost of living, exports and more. In March 2009, the Houston MSA was ranked as the number one metro area for new businesses and expansions by *Site Selection* magazine. According to Census 2008 estimates, the city of Houston is the third fastest growing city in the country adding 1.5 percent between July 2007 and July 2008. The region encompasses the 6th largest metropolitan area, the third largest county (Harris) and the 4th largest city in the country. HGAC's Regional Forecast states that the GCEDD region will add more than 3.5 million residents and 1.5 million jobs between 2005 and 2035 (<http://www.hgac.com/rds/forecasts/default.aspx>.)

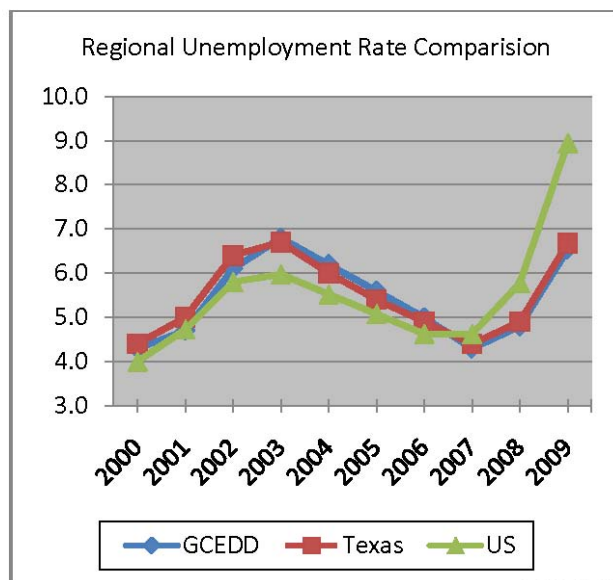


The region contains several distinct ecosystems from the coastal beaches and barrier islands of the Gulf of Mexico and the shallow waters and wetlands of Galveston Bay and Matagorda Bay, to riparian areas along the Trinity, Brazos and Colorado Rivers, coastal prairies, cypress swamps, piney woods oak savannahs. The region's largest city, Houston, is home to the world's largest medical center, second busiest port in the country and NASA. As a result, the region has been identified as having outstanding opportunities in energy, aerospace and biotechnological research and development. It also has a vibrant small business community, transforming agri-business industry, and robust residential commercial and industrial construction industry.

2.1 Jobs and the Economy

From 2000-2006, low regional unemployment consistently followed national trends. In 2007, national unemployment began to rise at a faster pace than the region and Texas as a whole; however, the current global economic crisis has not left the GCEDD region untouched. Houston trailed the nation entering recession because high energy prices protected the region through much of last year. Plunging energy prices in the final two quarters of 2008 and into 2009 slowed that growth to a trickle.

The Texas Workforce Commission (TWC) revised all employment numbers for 2008,



giving the MSA a decrease in the numbers of jobs gained over the previous year. The original estimate for December 2008 was 2,666,100 jobs, which was revised to 2,628,100 jobs. Sectors that showed gains in the face of recessionary pressures were mining and logging, which in Houston is almost entirely oil and gas exploration and production and oilfield services, with a net over the- year gain of 1,200 jobs (1.4 percent); private educational services, up 1,100 jobs (2.2 percent); health care and social assistance, up 7,000 jobs (2.4 percent); and government, up 6,800 jobs (1.9 percent), of which 5,600 were in public education. Professional and Business Services had the largest decline from last year, down 11,900 jobs, with losses in legal services, accounting, bookkeeping and payroll services, architectural, engineering and related services.

The GCEDD region’s unemployment rate for May 2009 was 7.2 percent, up from 4.7 percent in May 2008. County unemployment rates have increased across the board from May 2008 to May 2009. Table 1 below provides a detailed look at each county’s employment levels as compared with the Houston MSA, the GCEDD’s total service area (the sum of all counties listed), the state and the nation.

Table 1: Employment Data: May 2008 – May 2009

| County | Labor Force | Employed | Unemployed | May 2009 Unemployment Rate | 12 Months Net Change |
|-------------------|------------------|------------------|----------------|----------------------------|----------------------|
| Matagorda County | 17,971 | 16,252 | 1,719 | 9.6 | 3.1 |
| Liberty County | 32,159 | 29,158 | 3,001 | 9.3 | 3.8 |
| Chambers County | 14,489 | 13,236 | 1,253 | 8.6 | 3 |
| Brazoria County | 143,199 | 132,463 | 10,736 | 7.5 | 2.5 |
| Galveston County | 142,552 | 132,318 | 10,234 | 7.2 | 2.3 |
| Waller County | 16,549 | 15,378 | 1,171 | 7.1 | 2.6 |
| Harris County | 1,961,684 | 1,825,861 | 135,823 | 6.9 | 2.5 |
| Fort Bend County | 261,129 | 243,899 | 17,230 | 6.6 | 2.6 |
| Austin County | 13,275 | 12,395 | 880 | 6.6 | 2.7 |
| Montgomery County | 209,193 | 195,823 | 13,370 | 6.4 | 2.5 |
| Wharton County | 21,473 | 20,171 | 1,302 | 6.1 | 1.9 |
| Walker County | 26,682 | 25,079 | 1,603 | 6.0 | 1.2 |
| Colorado County | 11,337 | 10,746 | 591 | 5.2 | 1.6 |
| Houston MSA* | 2,804,555 | 2,610,033 | 194,522 | 6.9 | 0.6 |
| GCEDD | 2,871,692 | 2,672,779 | 198,913 | 7.2 | 2.5 |
| Texas | 11,955,826 | 11,112,280 | 843,546 | 7.1 | 2.4 |
| United States | 155,081,000 | 140,570,000 | 14,511,000 | 9.4 | 3.9 |

Source: U.S. Bureau of Labor Statistics

Note: Data represents preliminary estimates.

*The Houston MSA includes San Jacinto County and does not include Colorado, Matagorda, Walker and Wharton Counties.

Matagorda County has historically had a rate almost twice the regional average and, as Table 1 shows, has recently seen that rate increase above the national average. Brazoria, Chambers, Galveston, Liberty, Matagorda, Waller and the GCEDD region as a whole have an unemployment rate above the state average. Harris has the highest number of unemployed, with Fort Bend and Montgomery a distant second and third. The GCEDD region encompasses counties outside of the MSA with higher unemployment, thus the unemployment rate of GCEDD’s service area exceeds that of the MSA.

2.2 Cluster Analysis

In 2008, the GCEDD Board approved the development of a regional industry cluster analysis.

The primary objective of this study was to assess regional competitiveness in attracting and retaining industry clusters compared to the State of Texas and the Nation. While previous work conducted by Perryman (2002) and the Texas Governor’s Office (2005) identified economic prospects and targeted

industry clusters from a broad and state wide perspective, the GCEDD Regional Industrial Cluster Analysis analyzed industry cluster structure of the GCEDD region as a whole and each of the thirteen counties. The study utilized economic development tools such as Location Quotient, Economic Base Model, and Shift-Share Analysis to analyze the growth of industry clusters in the GCEDD region. A comparison of the three studies is presented below in Table 2. Several clusters cross the boundaries of all three studies, specifically: business and financial; distribution, transportation and logistics, biotechnology and medical, energy, petroleum refining and chemical, information technology and communications, and manufacturing – and are bolded for emphasis in the table.

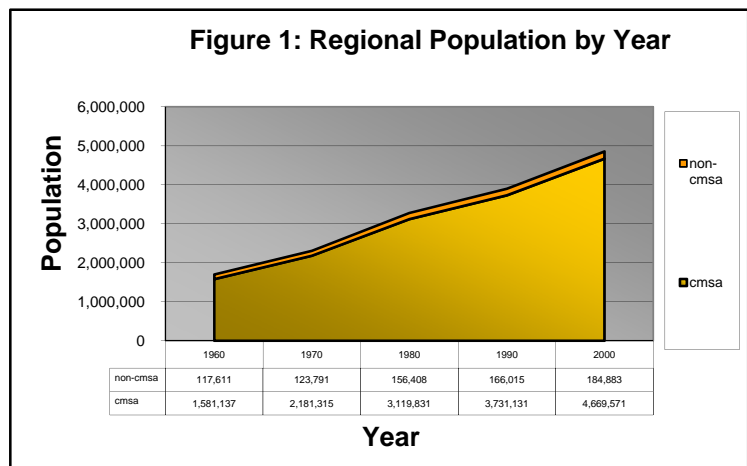
Table 2: Identified Key Clusters for the GCEDD Region and the State

| GCEDD 2008 Regional Industrial Cluster Analysis | Perryman's 2002 Study on Texas's Economic Prospects | Governors 2005 State Target Clusters |
|--|--|---|
| Business & Financial | Applied Technology | Advanced Technology and Manufacturing |
| Distribution, Transportation, and Logistics | Business Services | Aerospace and Defense |
| Emerging Biotechnology and Medical | Corporate Headquarters | Biotechnology and Life Sciences |
| Energy Cluster | Distribution, Transportation, and Logistics | Energy |
| Fabricated Metal Products | Emerging Biotechnology and Medical | Information and Computer Technology |
| Machine Manufacturing | Emerging Nanotechnology and Materials | Petroleum Refining and Chemical Products |
| Petroleum Refining and Chemical | Energy | |
| Advanced Materials | Heavy Construction | |
| Apparel & Textiles | Information Services | |
| Computer & Electronic Product Manufacturing | Petroleum Refining and Chemical | |
| Glass & Ceramics | Production Support Manufacturing | |
| Information Technology & Telecommunications | Tourism | |
| Manufacturing Supercluster | | |
| Primary Metals Manufacturing | | |
| Tourism & Recreation Industries | | |

2.3 Regional Population

An overview of the regional population includes historic and present data (U.S. Census) and a discussion of forecasted growth. The US Bureau of the Census released year 2000 population counts, as shown on Figure 1. Figure 1 further shows the major concentration of growth in the region to be almost exclusive to the Metropolitan Statistical Area of the region, which is comprised of Harris County and its nine contiguous counties.

Economic expansion and international events have shaped the region's population growth and settlement patterns. Over the past three decades, the region has experienced strong population growth in response to the numerous employment opportunities. Between 1970 and 1980, the



region's population grew at an annual rate of 3.6 percent, adding almost 97,113 people each year. The region managed to grow at 1.8 percent between 1980 and 1990, despite the crisis in the petroleum industry during that time. Between 1990 and 2000 the region saw its significant growth similar the growth of the 1970s. The 2000 census shows the region's population to be 4,854,454, almost a 25 percent increase since 1990. The population forecast for 2010 is 5.8 million according to the H-GAC forecast.

As in the past, the growth tends to center around the major metropolitan area of Houston, however much of the growth activity is concentrated in the suburban counties surrounding Harris, with Montgomery and Fort Bend counties leading the way with 61 percent and 57 percent growth over the past decade.

The median household income and per capita income varies significantly for each county in the region. The 2000 Census shows the regional median household income of \$44,347. This is higher than the state average, and slightly higher than the national average. However, counties in the rural periphery show significantly lower incomes relative to the region, the state and the nation. Matagorda, Liberty and Colorado counties all have less than 75 percent of the state or national per capita income, suggesting distress in the more rural areas of the region. Poverty levels at 13.5 percent in the region are slightly lower than the State levels and higher than national levels. However, counties around the rural periphery do demonstrate significantly higher rates of poverty (As shown in Table 3) with some counties approaching 20 percent.

Table 3: Income Characteristics of the GCEDD Region in 2000

| County | Total Population | Per Capita Income in 1999 | Below Poverty Level* | % Below Poverty* | White | African American | Asian | All Other Races and Two or More Races |
|------------|------------------|---------------------------|----------------------|------------------|-------|------------------|-------|---------------------------------------|
| Matagorda | 37,957 | \$15,709 | 6,913 | 18.50% | 67.7% | 12.7% | 2.4% | 17.3% |
| Walker | 61,758 | \$14,508 | 8,253 | 18.40% | 69.3% | 24.0% | 0.6% | 6.1% |
| Wharton | 41,188 | \$15,388 | 6,703 | 16.50% | 69.3% | 14.8% | 0.3% | 15.5% |
| Colorado | 20,390 | \$16,910 | 3,171 | 16.20% | 72.5% | 15.3% | 0.1% | 12.0% |
| Waller | 32,663 | \$16,338 | 4,718 | 16.00% | 58.0% | 29.0% | 0.4% | 12.6% |
| Harris | 3,400,578 | \$21,435 | 503,234 | 15.00% | 58.6% | 18.4% | 5.1% | 17.9% |
| Liberty | 70,154 | \$15,539 | 9,296 | 14.30% | 79.1% | 12.7% | 0.3% | 8.0% |
| Galveston | 250,158 | \$21,568 | 32,510 | 13.20% | 72.7% | 15.2% | 2.1% | 10.0% |
| Austin | 23,590 | \$18,140 | 2,814 | 12.10% | 79.8% | 10.6% | 0.1% | 9.4% |
| Chambers | 26,031 | \$19,863 | 2,833 | 11.00% | 82.1% | 9.6% | 0.3% | 8.0% |
| Brazoria | 241,767 | \$20,021 | 23,465 | 10.20% | 77.0% | 8.4% | 2.0% | 12.6% |
| Montgomery | 293,768 | \$24,544 | 27,376 | 9.40% | 88.0% | 3.4% | 1.1% | 7.6% |
| Fort Bend | 354,452 | \$24,985 | 24,953 | 7.10% | 56.8% | 20.0% | 10.9% | 12.3% |

*Data not based on Total Population column. Poverty percentage based on Census data for poverty.

2.4 Labor Force

The Gulf Coast Workforce Board periodically publishes a workforce report card comparing the region's labor market and related conditions to those of similar metropolitan regions in the United States based on publicly available data, including Census Bureau and the Bureau of Labor Statistics data. Measures are grouped in broad categories, including Industries and Employers; Labor Force and Knowledge Jobs;

Market Alignment; Education, Income, Wealth, and Poverty; and Places to Work and Live. The report card can be viewed at <http://www.wrksolutions.com/about/reportcard.html>.

In the 2007 report card, the region scored well in factors that attract workers such as a reasonable cost of living, and also scored well for its relatively diverse economic base, strong job growth, and diverse population. However, the education section of the report card highlighted the fact that our region's workforce development pipeline, as reflected in high school completion rates, is weak compared to other metropolitan regions. If high school completion rates are not improved, employers in the future may not have access to the skilled workforce necessary to ensure the region's prosperity.

As a part of its work toward higher graduation rates for high school students, the Gulf Coast Workforce Board's Education Committee has focused on providing the best labor market information available about jobs and opportunities and how to prepare for them. The goal is getting labor market information out to parents, students, and educators and encouraging students to complete their secondary education and move on to education or training for the good jobs of the future. The Education Committee's direction has resulted in the following products and services:

Focus On profiles of key industries and growth occupations.

These profiles are developed from the Gulf Coast Workforce Board's High-Skill, High-Growth Occupations list. They are distributed through email once a month, primarily to educators, but also to the general public. Each piece provides information about a targeted industry or a growth occupation, including expected demand, wages, and how to get training in order to do the job. Focus On pieces are available at www.wrksolutions.com.

The Career Cube.

The Cube is an interactive, web-based tool for educators, parents, students, and the general workforce that highlights key industries in our region and the job opportunities in those industries. It launched February 1, 2009 at careercube.org.

Beyond high school, the Houston region offers 88 degree granting institutions and hundreds of opportunities for professional development. Whether the interest is in attending college, technical school, art school or becoming an entrepreneur, Houston offers career paths to just about everywhere. Rice University is consistently ranked as one of the top schools in the country. The University of Houston is also being considered for Tier One status. Design-centered schools such as Art Institute of Houston and ITT Tech offer degree programs for the creative and mechanically inclined.

Several resources exist for those persons interested in furthering their education and increasing their skill sets. Texas Workforce Commission's Texas Industry Profiles (www.texasindustryprofiles.com) provides Texas industry and wage data including new hire rates, job openings and applicant rates, which might be useful in determining in-demand occupations and what field a person should enter. The Texas Higher Education Board (www.txhighereddata.org) offers reports showing the employment and further education activities of area graduated students as well as statistics on college enrollment, school profile reports and university report cards. The National Center for Education Statistics IPEDS database (nces.ed.gov/ipeds) allows the selection of any number of institutions in the country that might be of interest for comparison as well as allowing searches by program and area.

2.5 Infrastructure

Transportation

The transportation network in the metropolitan area of the region is vast, encompassing water, air and land transportation. Two Interstate Highway facilities pass through the region, IH-10 and IH-45. There are also three US highways and a well-maintained network of state highways and farm-to-market roads. Two toll roads, operated by the Harris County Toll Road Authority, complement the freeway system. The

Houston Airport System is the sixth largest in the country based on the number of passengers served annually. The Houston Airport System serves the region's need to move people and products around the country and the world. Four major ports serve the region: Port of Houston, Port of Freeport, Port of Texas City and Port of Galveston. The Port of Houston is the number one port in the country for exporting products out of the country and ranks second for total tonnage. The Port of Galveston maintains a substantial cruise ship industry. The GCEDD region's transportation network is critical to domestic and international trade. The Intra Coastal Water Way runs along the coastal and barrier island portion of the region, providing barge and waterborne shipping opportunities along the Texas Coast and the Gulf of Mexico.

Sewage Collection and Treatment Facilities

The region hosts a mixture of sewage and waste water treatment facilities ranging from single residence on-site septic systems to small package treatment plants for neighborhoods and businesses to large municipal waste water treatment plants serving thousands of homes and businesses. Many communities rely upon centralized collection systems, on-site septic tanks, or both. Numerous small communities have inadequate systems and pursue funding opportunities to upgrade facilities via the Texas Office of Rural Community Affairs and U.S Housing and Urban Development Community Development Block Grants.

Water Sources

The region's water supply has gradually shifted from groundwater to surface water sources. This is especially true for the urbanized areas in and around the City of Houston, which have experienced major land subsidence in the past. An excessive groundwater withdrawal is the major cause of subsidence throughout the greater Houston area. By the late 1970s, subsidence had surpassed nine feet along the Houston Ship Channel and as much as five feet in the Texas City area, with a large part of Harris County experiencing at least one foot of subsidence. Land subsidence resulted in the destruction of housing subdivisions along the water front of Galveston Bay, damage to roads and drainage infrastructure, altered discharge rates and flow patterns at the mouths of major bayous and massive loss of fringing wetlands associated with Galveston Bay. The majority of the region affected by subsidence has converted to surface water as a primary supply. Major surface water reservoirs in the region include Lake Conroe and Lake Houston. Most municipalities in the area have adequate system capacities for potable water and fire protection. The State's regional water planning efforts analyze current and future water demands by cities, agriculture and industry and environmental flow needs. For additional information go to the Web Sites for Region H (www.regionhwater.org) that covers Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Walker and Waller Counties and Region K (www.regionk.org) that covers Colorado, Matagorda and Wharton Counties.

Communication

According to the Public Utility Commission of Texas, approximately three hundred exchanges in the State of Texas have fewer than 500 access lines within their boundaries, while the Houston exchange has more than 1.5 million lines within its boundary. Broadband service is principally being offered by local exchange carriers, cable companies and wireless companies. Broadband has provided Internet and television programming, but it is also providing telephone service – primarily in the heavily urbanized areas and urban counties. The development of Voice over Internet Protocol (VoIP) has enabled cable companies to begin offering telephone service over their own facilities, and cable is becoming an increasingly important competitor for telephone services. AT&T and Verizon own and operate a majority of high-speed lines in the GCEDD region. Many rural areas do not have access to broadband services and rely upon dial up connections or digital service lines for internet access. A substantial number of households in the region have done away with traditional land line phone systems and rely upon mobile cellular phones.

Electrical Generation and Transmission

Electricity that powers the homes, businesses and industrial facilities of the region primarily comes from a network of fossil-based and nuclear powered generation facilities. Natural gas fueled power plants are

located throughout the region. One large coal fired plant is located in Fort Bend County. One nuclear plant is located in Matagorda County. A small generating facility in Montgomery County runs entirely on biodiesel. Plans are underway to add additional generating capacity to the region, including expansion of the nuclear facility, the addition of an additional coal and natural gas plants. The region participated in the FutureGen project (a federally-backed call for clean coal candidate sites) in 2006, but was not selected for funding. Nonetheless interest in clean coal technology remains high in Texas and the region.

The two providers of electrical transmission in the Houston region are Entergy and CenterPoint Energy. CenterPoint Energy's electric operations unit delivers electricity to nearly 2 million customers in a 5,000-square-mile area that includes Houston. With the advent of electricity deregulation in Texas in 2002, wholesale electric power companies and retail electric providers pay CenterPoint Energy to deliver electricity over their power lines. CenterPoint's electric transmission and distribution business maintains 3,631 miles of transmission lines and 45,157 miles of distribution lines. Entergy Texas, Inc. operates in geographic areas on the eastern perimeter of Texas and gets much of their power from other states. As a result, it has been more challenging as a non-ERCOT utility company to move to deregulation until certain regulatory hurdles have been overcome. At the conclusion of the 2009 session, the Texas Legislature approved a bill that delays any further consideration of retail customer choice in Entergy Texas, Inc.'s service area. Senate Bill 1492 delays competition in southeast Texas for an indefinite period.

2.6 Cost of Living

According to Q109 ACCRA Cost of Living data, residents of our region arguably live better than anyone in the country. In the metropolitan area, the region's cost-of-living advantage is most pronounced. Houston's housing costs are 45 percent below the average for large metro areas, and its overall costs are 24 percent below the average for this group. With a low cost of living, relatively inexpensive housing and median income slightly above national levels, residents of our region literally get more bang for their buck than most Americans.

The Gulf Coast region has both quality living and favorable economic incentives which make it an ideal place for attracting and retaining today's knowledge workers.

On the biotech front, Houston is consistently in the top 10 cities in the country in NIH grant funding and Galveston is also becoming a top-funded research community. The region has recently seen marked expansion in the nano-biotechnology research industry through the development of several consortiums involving local universities, medical research institutions and private businesses.

3.0 REGIONAL RESOURCES

3.1 Community Financing

Communities throughout the region have taken a proactive role when it comes to financing business and industrial expansions. Many communities and other taxing authorities have adopted tax abatement policies, enterprise zone designations, bond financing and other assistance programs to assist in their efforts of expanding tax bases and increasing employment opportunities. Within the GCEDD reside 87 Independent School Districts, which can and have further contributed to these efforts by participating in Tax Increment Financing, abatement programs and other incentive strategies to finance public improvements and encourage business development.

These additional sources of revenue enable communities to leverage or substitute for public grant money. In addition many municipalities are utilizing sales tax to promote development, through the creation of development corporations, as detailed in Table 4. Further information on Economic Development Sales Tax can be found in the Attorney General’s Handbook on Economic Development Laws for Texas Cities, which is available at www.oag.state.tx.us.

Table 4: City Economic Development Sales Tax Initiatives

| City | County | 4A/4B | City | County | 4A/4B |
|-------------------|------------|----------------|-----------------|------------|-------|
| Anahuac | Chambers | (MDD) | Montgomery | Montgomery | 4B |
| Angleton | Brazoria | 4B | Nassau Bay | Harris | 4B |
| Arcola | Fort Bend | 4B | Needville | Fort Bend | 4B |
| Bay City | Matagorda | 4B | Oak Ridge North | Montgomery | 4B |
| Baytown | Harris | 4A/4B (MDD) | Orchard | Fort Bend | 4A/4B |
| Beasley | Fort Bend | 4A/4B | Oyster Creek | Brazoria | 4B |
| Bellville | Austin | 4B | Palacios | Matagorda | 4A |
| Brookshire | Waller | 4B | Pasadena | Harris | 4B |
| Clear Lake Shores | Galveston | 4B | Pearland | Brazoria | 4B |
| Cleveland | Liberty | 4B | Prairie View | Waller | 4B |
| Clute | Brazoria | 4B | Richmond | Fort Bend | 4B |
| Columbus | Colorado | 4B | Rosenberg | Fort Bend | 4B |
| Conroe | Montgomery | 4B | Santa Fe | Galveston | 4B |
| Dayton | Liberty | 4B | Seabrook | Harris | 4B |
| Dickinson | Galveston | 4B | Sealy | Austin | 4B |
| El Campo | Wharton | 4A | Shenandoah | Montgomery | 4B |
| Freeport | Brazoria | 4B | Stafford | Fort Bend | 4B |
| Galveston | Galveston | 4B | Sugar Land | Fort Bend | 4B |
| Hempstead | Waller | 4A | Sugar Land | Fort Bend | 4A |
| Hitchcock | Galveston | 4A | Sweeny | Brazoria | 4B |
| Kemah | Galveston | 4B | Texas City | Galveston | 4A |
| La Marque | Galveston | 4A | Tomball | Harris | 4B |
| La Porte | Harris | 4B | Waller | Waller | 4A |
| Lake Jackson | Brazoria | 4B | Wallis | Austin | 4B |
| League City | Galveston | 4B | Webster | Harris | 4B |
| Liberty | Liberty | 4B | Weimar | Colorado | 4B |
| Manvel | Brazoria | 4B | West Columbia | Brazoria | 4B |
| Magnolia | Montgomery | 4A/4B | Wharton | Wharton | 4B |
| Meadows | Fort Bend | 4A | Willis | Montgomery | 4A/4B |

Table 5: County Economic Development Incentives and Designations

| County | Enterprise Zones | Foreign Trade Zones | Tax Abatement Policies | Sales Tax for Econ. Develop. | Entitlement County | Redevelopment Area | Clean Air Attainment County |
|------------|------------------|---------------------|------------------------|------------------------------|--------------------|--------------------|-----------------------------|
| Austin | | | Y | Y | | Y | Y |
| Brazoria | Y | Y | Y | Y | Y | Y | |
| Chambers | Y | Y | Y | Y | | Y | |
| Colorado | Y | | Y | Y | | Y | Y |
| Fort Bend | Y | | Y | Y | Y | Y | |
| Galveston | Y | Y | Y | Y | ** | Y | |
| Harris | Y | Y | Y | Y | Y | Y | |
| Liberty | Y | Y | Y | Y | | Y | |
| Matagorda | Y | Y* | Y | Y | | Y | Y |
| Montgomery | | | Y | Y | Y | Y | |
| Walker | Y | | Y | | | | Y |
| Waller | | | Y | Y | | Y | |
| Wharton | Y | Y | Y | Y | | Y | Y |

* Matagorda County does not have an officially designated Foreign Trade Zone, but has a general-purpose zone
 ** Galveston County is not an entitlement county, but it contains the entitlement cities of Galveston and Texas City.

In addition to providing local incentives, many economic development groups have formed sub-regional partnerships. The partnerships are often expressly formed to pursue a specific goal or activity, leveraging resources and maximizing regional resources for the net result of more economic development activity. These intra- and extra-regional organizations in addition to the work of the GCEDD can offer a multitude of services and assistance to individuals and groups in the Gulf Coast region who are conducting economic development activities.

3.2 Small Business Finance Programs

Small business financing programs are increasingly providing viable financing opportunities for existing and prospective business owners in the region. Several financing opportunities are available for entrepreneurs in the Gulf Coast region as discussed below.

Small Business Administration

The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, in addition to a venture capital portfolio of \$13 billion, SBA is the nation's largest single financial backer of small businesses. Last year, the SBA offered management and technical assistance to more than one million small business owners. The SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses. More information on the SBA is available online at www.sba.gov.

| Local SBDC | Phone | City | Website |
|--|--------------|---------------|-------------------------------------|
| University of Houston (UH) | 713-752-8444 | Houston | www.sbdc.uh.edu |
| San Jacinto College | 281-485-5214 | Pearland | www.sanjac.edu/sbdc |
| Galveston County | 409-933-1414 | Texas City | http://www.gcsbdc.com/ |
| Brazosport College | 979-230-3380 | Lake Jackson | www.brazosport.edu/sbdc |
| UH Coastal Plains | 979-244-8466 | Bay City | not available |
| UH Fort Bend County | 281-499-9787 | Missouri City | not available |
| Prairie View A&M Univ. | 936-261-9242 | Prairie View | http://www.pvamu.edu/pages/4478.asp |
| Sam Houston State University | 936-294-3737 | Huntsville | www.shsu.edu/~sbd |
| Lee College | 281-425-6309 | Baytown | www.lee.edu/sbdc |
| North Harris Montgomery Community College District | 832-813-6674 | The Woodlands | http://sbdc.lonestar.edu |

Houston-Galveston Area Local Development Corporation

The Houston-Galveston Area Local Development Corporation operates as a licensed Certified Development Company (CDC) in the 13-county GCEDD region. The role of the CDC is to market, process, close and service SBA 504 Loans. More information on the Houston-Galveston CDC is available online at www.h-gac.com.

Texas Agricultural Finance Authority

The Texas Agricultural Finance Authority was created in 1987 as a Public Authority within the Texas Department of Agriculture. Tafa provides financial assistance to creditworthy individuals and businesses in partnership with banks or other agricultural lending institutions through six programs to eligible agricultural and non-agricultural businesses. More information on Tafa programs is available online at www.agr.state.tx.us.

USDA Rural Development

The U.S. Department of Agriculture’s Rural Development program was created to increase economic opportunity and improve the quality of life for all rural Americans. Its business programs provide help to rural areas that need to develop new job opportunities, allowing businesses and cooperatives to remain viable in a changing economy. Its Community Development Programs operate special initiatives to demonstrate effective techniques and address unique and pressing economic development issues. More information on this program is available online at www.rurdev.usda.gov.

3.3 Disaster Recovery Funding

Following the wake of Hurricane Ike, one of the most destructive storms in U.S. History, the GCEDD region is faced with massive community and economic recovery challenges. The Governor’s “Texas Rebounds” report (November 2008) states that Texas suffered billions of dollars in damage and loss to infrastructure, housing and social services. The majority of that damage occurred within the GCEDD region. Substantial funding is becoming available to help address our communities housing, infrastructure and economic development needs.

To assist the nation in recovering from the natural disasters of 2008, Congress has authorized \$400 million in disaster recovery funding to the Department of Commerce’s Economic Development Administration (EDA) and \$6.2 billion in Community Development Block Grant (CDBG) funding to the Department of Housing and Urban Development (HUD).

The flow of EDA funding from Washington to the local communities is currently being developed. EDA funding may be directed to their regional offices or may be distributed as a grant to the State. EDA is encouraging impacted communities to familiarize themselves with the EDA application process and to

begin identifying projects that would improve current infrastructure and make their communities more resilient when future disasters strike the region.

On November 26, 2008, HUD announced the first allocation of 1/3 of the \$6.2 billion in CDBG funding. HUD allocated \$1.3 billion of the \$2.1 to the State of Texas. The State has assigned the Office of Rural Community Affairs (ORCA) as the lead agency to administer the CDBG disaster recovery funding with support from the Texas Department of Housing and Community Affairs. ORCA drafted an action plan in early December 2008, which includes allocations of the \$1.3 billion based on FEMA damage reports. The current allocation would direct over \$814 million (77 percent) to the H-GAC region. These funds can be used to address housing, infrastructure and economic development needs associated with the impacts of Hurricane Ike and Hurricane Dolly. Eligible areas are included as Appendix E.

3.4 Economic Development Planning

In addition to the above resources, more and more local governments and economic development organizations in the region are recognizing the benefits of multi-jurisdictional coordination through countywide or multi-city economic development organizations. The listing of local agencies and programs, in the County Profiles section below, represents a sample of agencies currently involved with the GCEDD. This list is continually updated via our website to ensure an exhaustive list of resources is available in the Gulf Coast region. Please visit our website at www.h-gac.com for more information about these and many other programs. Populations are based on July 1, 2008 estimates.

Regional

Gulf Coast Economic Development District

The Gulf Coast Economic Development District (GCEDD or the “District”) is the federally designated economic development planning body for the 13-county Gulf Coast State Planning Region. www.gcedd.org

Sub-regional

The Economic Alliance – Port Region

The Economic Alliance Houston Port Region provides professional economic development services on behalf of sixteen communities surrounding the 25-mile Houston Ship Channel - home to one of the world’s most influential energy corridors and trade ports.

The Greater Houston Partnership

The Greater Houston Partnership is a regional chamber of commerce, economic development and world trade organization focused on bringing jobs and capital investment to the 10-county Houston Metropolitan Statistical Area. www.houston.org

Bay Area Houston Economic Partnership

The Bay Area Houston Economic Partnership is a member-driven regional economic development organization focused on bringing about prosperity and a high quality of life for the 1.5 million people who live and work in the region. Members include aerospace, petrochemical, and healthcare companies, developers, bankers and real estate brokers, 13 cities, Galveston and Harris Counties, and the Port of Houston Authority.

The Lower Colorado River Authority: LCRA

The Lower Colorado River Authority provides business recruitment, business retention, expansion, tourism development and strategic planning services to the three counties that lie in the Lower Colorado River Basin in the Gulf Coast Region - Colorado, Matagorda and Wharton Counties. More information is available online at www.lcra.org.

County-level

| County - 2008 Population /Programs | Website |
|--|-------------------------------------|
| Austin County - 26,851 | |
| San Bernard Electric Cooperative | www.sbec.org |
| Sealy EDC | www.sealyedc.com |
| Brazoria County - 301,044 | |
| ED Alliance for Brazoria County | www.eda-bc.com |
| Chambers County - 29,356 | |
| Baytown West Chambers County Economic Development Foundation | www.baytownedf.org |
| Chambers Co. Economic Development Department | www.co.chambers.tx.us/econdevl.html |
| Chambers-Liberty Counties Navigation District Economic Development Corporation | www.clcnd.com |
| Colorado County - 20,734 | |
| The Columbus Community & Industrial Development Corporation | www.columbustexas.org |
| Fort Bend County - 532,141 | |
| Greater Fort Bend EDC | www.fortbendcounty.org |
| Galveston County - 288,239 | |
| Galveston Co. Economic Alliance | www.gcea.us |
| Galveston Economic Development Partnership | www.gedp.org |
| Harris County - 3,984,349 | |
| University of Houston Small Business Development Centers | www.sbdcnetwork.uh.edu |
| Liberty County - 75,333 | |
| Liberty County Economic Development Alliance | www.co.liberty.tx.us |
| Chambers-Liberty Counties Navigation District EDC | www.clcnd.com |
| Matagorda County - 37,265 | |
| Matagorda County EDC | www.mcedc.net/ |
| Montgomery County - 429,953 | |
| South Montgomery County EDP | www.edpartnership.net |
| Greater Conroe EDC | www.gcedc.org |
| Walker County - 64,212 | |
| City of Huntsville ED | www.ci.huntsville.tx.us |
| Waller County - 35,995 | |
| Waller County EDP | www.wallercounty.org |
| Wharton County - 40,791 | |
| Wharton EDC | www.whartonedc.com |

The region has seen numerous planning activities geared toward furthering economic development. In 2008, Harris County developed the Harris County Economic Development Strategic Plan which called for Harris County government leadership to take the initiative and spearhead regional and collaborative economic development efforts. The City of Houston is planning and implementing programs in the Third Ward, Midtown, the Washington Avenue area, the Heights, and the East End, among others. Galveston is

also revitalizing their central business district to attract new businesses and encourage tourism. Similar activities are occurring at various scales in Bay City, Columbus, Conroe, Dayton, El Campo, and Huntsville, to name a few. These efforts are being supported by EDA grants as well as by funding from other programs. Other major sources of funding include the U.S. Department of Housing and Urban Development, the Texas Community Development Program (administered by the Texas Office of Rural Community Affairs (ORCA)), the U.S. Small Business Administration, the Governor's Office of Economic Development & Tourism, and the U.S. Department of Agriculture–Rural Development (formerly the Farmers Home Administration). The status of EDA and other projects in the region is shown below.

EDA Grant Status 2009

| Applicant | Project | Amount | Status |
|--|---|--------------|--------------|
| Gulf Coast EDD (H-GAC) | Disaster Recovery Revolving Loan Fund | \$10,000,000 | Awarded 2009 |
| Gulf Coast EDD (H-GAC) | Disaster Recovery Planning | \$900,000 | Awarded 2009 |
| Port of Galveston | Harbor Development, Pier, Bulkhead | \$10,000,000 | Awarded 2009 |
| University of Texas Medical Branch | Bio-medical business incubator (construction) | \$10,000,000 | Awarded 2009 |
| Nassau Bay | Road infra., storm sewer for town square | \$2,500,000 | Awarded 2009 |
| Friendswood | Water/sewer lines for commercial corridor | \$2,000,000 | Awarded 2009 |
| Seabrook | Roadway infrastructure | \$3,000,000 | Awarded 2009 |
| Trinity Bay Conservation District (in Chambers County) | water and sewer infrastructure | \$3,000,000 | Awarded 2009 |
| Texas Engineering Extension Service (H-GAC, SETCOG and DETCOG) | Disaster impact study | \$500,000 | Awarded 2009 |

Technical Assistance also provided on additional applications:

C-Port Galveston: District staff has worked closely with applicant in developing preliminary funding application.

City of Huntsville: District staff has worked closely with applicant in developing funding application.

Port of Freeport: District staff has worked closely with applicant in developing funding application.

Mission Milby CDC: District staff has worked closely with applicant in developing funding application.

Texas Capital Fund Grant Status 2007-2009

| Applicant | Project | Amount |
|----------------------|----------------------------|--------------|
| City of Wharton | Infrastructure Development | \$750,000.00 |
| City of East Bernard | Real Estate Development | \$400,000.00 |

Texas Community Development Program CDBG Grant Status 09-10

| 2009 Allocations | Amount | 2010 Allocations (estimated) | Amount |
|--------------------|-----------|---------------------------------|-----------|
| City of Daisetta | \$350,000 | City of Eagle Lake | \$253,642 |
| City of Palacios | \$350,000 | City of Hempstead | \$350,000 |
| Colorado County | \$350,000 | City of Bay City | \$350,000 |
| City of Willis | \$350,000 | City of Liberty | \$350,000 |
| City of Ames | \$350,000 | City of Sealy | \$350,000 |
| Matagorda County | \$350,000 | City of Angleton | \$350,000 |
| City of Weimer | \$154,277 | City of La Marque | \$350,000 |
| City of Eagle Lake | \$96,358 | City of Liverpool | \$350,000 |
| Galveston County | \$350,000 | City of Weimer | \$195,723 |
| Chambers County | \$350,000 | City of Anahuac | \$219,661 |
| City of Bellville | \$350,000 | | |

4.0 REGIONAL NEEDS

The region has benefited from a dynamic economy and active planning efforts; nevertheless, the region has several unmet needs. Every year, GCEDD staff electronically surveys local economic development practitioners in the region to determine the underlying barriers and constraints to economic development. This process is performed in order to focus strategic planning for future economic development activities. The results were then compiled, prioritized based on perceived need, and are reflected in Table 6. In addition to traditional development tools, ancillary needs have been identified. Improved air quality, single family housing and telecom expansion and development serve as major factors in economic development, and will be prioritized in future planning initiatives. Comments received from GCEDD Board members during January 2008 and discussions during subsequent board meetings indicate that the original priority order needed to be revisited. As a result, the earlier numeric priorities have been grouped into three major priority categories (high, medium, low).

Table 6: District-wide Needs by Priority

| Identified Regional Development Needs | |
|---------------------------------------|--|
| High Priority | Job Training and Workforce Development |
| | Job Retention and Expansion of Major Employers |
| | Disaster Recovery and Community Resiliency* |
| | Road Improvements or Expansion |
| | Small Business Retention and Expansion |
| | Improved Air Quality |
| Medium Priority | Single Family Housing |
| | Tax Abatements and Other Incentive Strategies |
| | Telecom Expansion and Development |
| | Flood Control Improvements |
| | Industrial Park Development |
| | Sewer and Wastewater Treatment Improvements |
| | Affordable Housing |
| Priority | Community Development and Revitalization |
| | Agricultural Conversion and Diversification |
| | Solid Waste Improvements |

* While Disaster Recovery and Community Resiliency were not included in the previous survey (summarized in Table 6, above), the widespread destruction and economic impacts associated with Hurricane Ike – and the inclusion of 12 of the 13 counties within the GCEDD region – clearly makes this a high regional priority. To ensure its inclusion as a priority within the CEDS, this item is included as Table 6 as a high priority.

Table 7 summarizes the needs identified of each of the region’s counties. These needs are primarily infrastructure related: water, sewer, drainage, and roadways. Housing is another need, both low- to moderate-income housing and, in the rural areas and smaller cities, works force and middle-class residences. The other listed needs are more general in nature.

Table 7: County Needs/Issues*

| County | Identified Needs |
|-------------------|--|
| Austin | County road improvements; Sewer for low-income households; Housing; Tourism. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Brazoria | Flood control issues; Sewer and roadway improvements; Additional hotels and temporary lodging facilities; Improved air quality; Small and Major employer business expansion; Venture capital. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Chambers | Infrastructure improvements; Agriculture conversion/diversification; Tax abatements; Community development and revitalization; Housing. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). Chambers County, under the guidance of FEMA, has developed a strategic plan stewarded by an organization known as CHaRT. |
| Colorado | Improved sewer and waste treatment facilities; Feeder roads along IH-10; Industrial park development |
| Fort Bend | Improvements to US 59, US 90, and SH 6; Extension of SH 99; Flood control; Workforce development; Improved air quality; Telecom expansion and development; Financing assistance for business start up and expansion. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Galveston | Middle income housing on island, Water, sewer, public transit service: Port improvements: Road improvements; Improved air quality. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Harris | Water, sewer, road improvements (especially radial highways) necessary; Improved Air Quality; Redevelopment/revitalization needed in older urban areas. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Liberty | Road and rail transportation infrastructure; public transportation to metro regions; attraction and expansion of jobs with benefits; drainage; tourism development; Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Matagorda | Tourism infrastructure; Housing; Small business expansion; Expansion/diversification of aquaculture; High speed Internet. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Montgomery | Local road improvements; Expanded capacity along IH-45; Water/sewer upgrades. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Walker | Industrial Park development: Water distribution system expansion: Wastewater collection system expansion: Water treatment plant capacity expansion: Creation of housing lots/subdivision: Improvements to state/US highways 30, 190 and 19. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Waller | Expanded water/sewer infrastructure; Improved drainage systems; Improved telecommunication systems; Job training and workforce development. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |
| Wharton | Lack of affordable housing; Roads in need of improvements; Job retention and expansion of major employers; Sewer and wastewater treatment improvements; Flood control improvements; Job training. Infrastructure, housing and economic development recovery associated with natural disasters of 2008 (i.e., Hurricane Ike and others). |

* The December 2008 revision addressing disaster recovery activities associated with the natural disasters of 2008 is included for each eligible county.

In general, the counties need business retention, infrastructure, small business expansion, start-ups, and workforce development. For the purposes of this document, workforce development will be defined as any activity related to the development of an employee. This includes but is not limited to, training, transportation, child care, job search activities, continuing education and any other activity enabling or contributing to an individual or groups professional development.

The key challenges faced by local governments as they endeavor to accommodate future growth are described below:

- **Mobility:** The H-GAC region will have difficulty in keeping up with growing congestion without identifying new revenue sources to add roadway and transit capacity. Furthermore, as the roadway system grows larger, maintenance will consume an increasing share of available resources. Accordingly, it appears as though other approaches will also be necessary in order to maintain acceptable levels of mobility, including new design approaches, improving the coordination of land use and transportation planning, improved system management, as well as travel demand measures.
- **Air Quality:** The Houston–Galveston region is designated as a non-attainment area by the Clean Air Act for exceeding the National Ambient Air Quality Standard for the pollutant ozone. There can be no net increase in air emissions for the eight county non-attainment area consisting of Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller counties. Against this backdrop, it is imperative that the region fulfills its State Implementation Plan (SIP) commitments to reduce both mobile and stationary source emissions. Failure to do so could result in the suspension of federal transportation funding and other economic consequences.
- **Drainage:** Flood damage remains a significant threat for the region. As we continue to grow and develop, improvements to the local and regional flood control systems will be necessary to address current problems and keep up with future growth. Such initiatives will likely require a combination of approaches, including floodplain management and detention policies, funding mechanisms, improved mapping, re-thinking development practices in some areas and coordination among multiple jurisdictions within watersheds.
- **Quality of Life:** Public services such as health, safety and education, along with amenities such as cultural and recreational opportunities, scenic natural areas and “community character” are becoming increasingly important factors in the economic competition among and within regions. Investments and public policies aimed at improving quality of life appear to have the potential to yield economic benefits by maintaining or improving the region’s desirability as a place to live and work.
- **Changing Demographics:** The region continues to undergo significant demographic shifts that present both opportunity and challenge. Increased ethnic and cultural diversity is an asset in maintaining the region’s position as a domestic and international business center. However, this trend will pose a challenge for the education system and other institutions in assimilating unique populations into the overall regional community. Additionally, the “baby boomer” generation moving into retirement age sharply increases demands upon the social service system.
- **Water Resources:** Adequate long-range supplies have been identified in the State Water Plan which meets the region’s future water demand. However, implementation of the plan’s recommendations will require considerable investment and coordination among the region’s local governments. Additionally, many of the region’s rivers, streams, lakes, bays and bayous do not currently meet water quality standards. Further pollution prevention measures, particularly those dealing with contaminated runoff, will be necessary to improve the condition of these important resources.
- **Rural Issues:** While the region’s urbanized area is focused on responding to the challenges of growth, its rural areas continue to face challenges in providing economic opportunity for their residents. Deficiencies in infrastructure, housing, health care, secondary education and the financing of capital will need to be addressed to improve the economic competitiveness of the region’s rural areas.

- **Habitat Protection:** The Upper Texas Gulf Coast region has numerous wetlands and other wildlife habitat resources. Balancing habitat protection while continuing to facilitate new development will continue to be a factor in shaping the region’s growth patterns.
- **Sewage Collection and Treatment Facilities:** Cities and other waste disposal entities across the region continue to make major investments in their wastewater treatment facilities and collection systems to keep up with population growth and meet state and federal regulatory requirements. Securing funding for major improvements to residential and industrial wastewater facilities remains a challenge for smaller communities in the region.
- **Water Quality:** A large number of the region’s waterways do not meet their designated use standards. The federal Clean Water Act requires that a “Total Maximum Daily Load” analysis be conducted on each “impaired” waterway segment. The results of this analysis may lead to recommendations for more stringent requirements on wastewater discharges, as well as land use and construction management techniques.
- **Hazard Mitigation Planning:** Natural hazards, such as floods, tornadoes and severe winter storms, are a part of the world around us. Their occurrence is natural and inevitable, and there is little we can do to control their force and intensity. In today’s world we must also consider human-caused hazards, such as technological accidents or deliberate acts of terrorism, as legitimate and significant threats to life, safety and property. These hazards threaten the safety of residents and have the potential to damage or destroy both public and private property, disrupt the local economy and impact the overall quality of life of individuals who live, work and play in the H-GAC region. While we cannot eliminate natural and human-caused hazards, we can develop plans to lessen their potential impact upon our community and our citizens.
- **Disaster Recovery and Community Resiliency:** With preliminary estimates of over \$29.4 billion dollars of unreimbursed damage statewide, and the majority of the damage occurring within the H-GAC region, the natural disasters of 2008 have taken a massive toll on our local communities. With preliminary estimates of more than \$10 billion dollars of damage within the H-GAC region, Hurricane Ike’s effect on local communities within the storm-surge zone is severe and the ripple effect on the regional economy is likely to be substantial. As state and federal agencies launch recovery programs designed to rebuild infrastructure and housing, taking time to assess opportunities to harden critical infrastructure and re-enforce local economies will be critical to ensure long term recovery. The GCEDD supports the efforts of local communities to identify opportunities to increase community resiliency and to include economic development aspects into their recovery efforts.
- **Workforce Development:** As previously stated in this document, addressing skilled-labor work force shortages, establishing training centers and academies, and increasing high school graduation rates will be key to meeting the challenges of future economic growth.
- **Housing:** Providing safe, sanitary and decent housing to the region’s citizens, and increasing the quality, availability and affordability of workforce and middle-class housing in the region – particularly rural area and outlying cities will be critical to achieving healthy economic development and increasing industrial and manufacturing jobs.

5.0 REGIONAL VISION AND GOALS

History

In 1986, 12 of the 13 counties in the H-GAC region experienced levels of distress sufficient to qualify for designation by the EDA as redevelopment areas. Each of the counties developed their own overall economic development program (OEDP), along with their own set of goals and objectives. In 1988, when the Gulf Coast Economic Development District was formed, the regional OEDP consolidated the goals into a unified set of six goals. In 1993, the GCEDD Board held a retreat in which they reviewed the regional goals and objectives. The original six goals were retained as they continue to be relevant to regional economic development needs. In 1997, the GCEDD Board inserted an additional goal to incorporate the Title IX Economic Adjustment Strategy activities by targeting distress—both long-term and sudden and severe—in our region. In 2005, the GCEDD has revised its goals to reflect the coordinated efforts of local governments, non-profits and development organizations in the 13-county district.

Vision

The Board envisions a healthy regional economy, diversified among a variety of sectors, poised to accommodate economic development of the future, with unprecedented opportunities to the citizens of the Gulf Coast.

Regional Goals

In support of this vision, the District adopted the following four goals. They are listed by priority, from highest to lowest. In this case, priority has been set based on the District's abilities rather than on the criticality of need. The goals provide a sound structure for the activities of the region and are relevant to the needs identified by the GCEDD Board of Directors.

Goal 1 Promote coordination among local economic development efforts

- 1.1 *Serve as a regional economic development information clearinghouse.*
- 1.2 *Provide technical assistance on economic development programs to local governments, economic development organizations and qualified businesses.*
- 1.3 *Assist with the coordination of identifying problems and solutions for housing and infrastructure.*
- 1.4 *Provide a forum for sharing information and discussing issues.*

Goal 2 Advocate economic development projects and programs of benefit to the Gulf Coast region

- 2.1 *Maintain District designation and county eligibility for EDA programs.*
- 2.2 *Review and comment on significant local, state and federal economic development programs.*
- 2.3 *Actively support and assist essential economic development projects and programs within the region.*
- 2.4 *Develop additional programs as identified to alleviate gaps in service.*

Goal 3 Facilitate access to relevant economic and business data to support economic development activities

- 3.1 *Facilitate access to data resources for local governments and economic development organizations.*

3.2 *Facilitate access to information resources for promoting economic development within the region.*

Goal 4 **Work to raise awareness of issues affecting quality growth and development across the region.**

- 4.1 *Raise awareness of environmental issues and participate in the development of recommendations to assist the region in utilizing its environmental assets.*
- 4.2 *Raise awareness of housing issues and participate in the development of recommendations to ensure adequate housing for all.*
- 4.3 *Raise awareness of regional transportation and accessibility issues.*

6.0 ACTION PLAN

Based on the structure established by the goals and objectives, the GCEDD has established an action plan. The section below discusses the major work elements of the District. The second section is the District's one-year work plan, which is based on the major work elements.

6.1 Major Work Elements

The major work elements are composed of the long-term expectations and the short-term activities for the District. The elements are all based on the goals and objectives approved by the District Board and described in the previous chapter. In addition to specific actions, the major work elements also include those quotidian activities that are ongoing and never truly complete.

In addition to the required work elements, the following long-term work program has been adopted to clarify and refine GCEDD's role and long-term visions. The plan is broken down into six essential visions for consideration: Information Clearinghouse, Grant Development, Administration, Financing, Technical Assistance, and CEDS. Each of these visions will be outlined in detail in the following Long-Term Work Plan

I. Information Clearinghouse

Vision: GCEDD is the region's Economic Development Information Clearinghouse.

Goal: Provide the region's ED players information and increase their awareness of:

- Best available data pertaining to ED
- Best Practices
- Financial, Technical Assistance, and Information Resources
- Emerging opportunities

Inputs: Contacts, Field visits, Surveys, Publications, Internet, Conferences, Local meetings, GCEDD Board/Committees.

Outputs: Website, Newsletter/e-mail/alerts, CEDS, Other publications, Presentations, GCEDD Board/Committees, Workshops/Roundtables

II. Grant Development

Vision: Work with EDA and local communities to develop quality, high profile projects.

Goal: Develop projects within the region.

Objectives:

- Establish an outreach program and develop relationships with local partners to increase interest.
- Provide technical assistance as appropriate.

Goal: Ensure an effective and efficient District review process.

Objectives:

- Develop a formal District review procedure to facilitate a quick turnaround. Increased communication with the EDA and collaboration in developing strong projects.

Goal: Follow up

Objectives:

- Publicize success, conduct board meetings, develop recognition
- Promote knowledge transfer through tours and write-ups of successful District programs.

III. Administration

Vision: GCEDD meets and surpasses all administrative requirements and the Board of Directors functions effectively.

Goal: Meet all administrative requirements and develop an annual GCEDD schedule to maximize the efficiency and effectiveness of District operations.

Objectives:

- Maintain and improve effective budgeting and spending in coordination with GCEDD Board and its objectives.
- Maintain physical files in a well organized manner, as well as all original documents and publications.
- Maintain network computer files in a well organized manner.
- Maintain and keep updated all mail and e-mail rosters and lists.
- Maintain comprehensive and current technical assistance reporting journal.
- Maintain grant compliance and reporting deliverables and applications.
- Develop a comprehensive annual work schedule.

IV: Technical Assistance (TA)

Vision: Develop an efficient “hands-on” technical assistance program.

Goal: Effective Outreach

Objectives:

- Planner makes at least one visit to each County and hosts an economic development meeting community every three years.
- Maintain and improve communication with regional and sub-regional economic development organizations, state and federal agencies.

Goal: Effective, Strategic TA service

Objectives:

- Provide TA service to at least three communities annually.
- Provide TA as appropriate on EDA or other grants.
- Partner with other programs to leverage TA capabilities in the region.
- Establish an effective means of referral of TA services.

V: CEDS

Vision: Develop a product that is relevant to all District communities through an efficient and inclusive process.

Goal: Maximize local input and expand regional resources

Objectives:

- Annual Revision to CEDS

6.2 Three Year Work Program

The GCEDD Board of Directors has approved the work plan for the next year. The specific tasks originated with the long-term and short-term elements listed above. While the District has elected to be accountable for the following items, the work will be the responsibility of the H-GAC staff. Due to staff limitations, however, the District will evaluate the viability of establishing project subcommittees to oversee and execute some of the more intensive work elements, such as the implementation of an intensive technical assistance program.

I. Mandatory work elements

- A. Establish and sustain a Comprehensive Economic Development Strategy (CEDS) process. The process must include an economic development plan (EDP) and procedures for monitoring its implementation. EDA considers the EDP to be valid for a period not to exceed five (5) years; any substantive changes should be submitted to the Austin Regional Office (AURO) as applicable.
- B. Coordinate economic development planning with other economic development entities such as economic development districts, chambers of commerce, business associations, local and state government economic development departments and EDA-funded entities.
- C. Notify AURO of any sudden and severe economic dislocations or disaster designations within the community.
- D. Provide staff support to develop and monitor projects that will increase economic opportunities within the District. Priority should be placed on EDA grant applications.

- E. Provide technical assistance as appropriate to member entities regarding topics such as industrial parks, land use regulations, and economic development programs.
- F. Submit a Performance Measures Report to EDA annually. Submit attached Data Collection Form.

II. Additional work elements

- A. Network with economic development organizations and other groups to implement CEDS recommendations.
- B. Maintain current information on federal, state and local economic development programs with a special emphasis on EDA programs.
- C. Provide training and workshops to local governments, economic development groups and businesses.
- D. Coordinate and network with agencies and businesses located outside the District that can provide benefits for the District's economic development program.

III. Special projects

- A. Develop a process for providing adaptive technical assistance to communities.
- B. Enhance the existing GCEDD website to provide more useful information on District activities and general economic development information.

7.0 EVALUATION PLAN

The evaluation plan is a crucial element in the CEDS. It allows the District to review the activities of the year, determine the effectiveness of the activities and revise the work plan appropriately for the upcoming year. The evaluation plan for the CEDS will be based on a list of four performance measures, with progress reported at quarterly GCEDD Board meetings. The performance measures are scored by the Executive Committee and the results will be used to determine which activities to keep, which activities to modify, and what possible new activities should be developed.

The CEDS performance is to be measured at the completion of the contract period. The evaluation is to be on a scale of 1 to 5, with 5 indicating the ideal. The evaluation of the 1999 CEDS is included below as an example.

1. Quality of the Regional CEDS
 - Usefulness of the economic analysis
 - Appropriateness of Vision Statement
 - Relevance of the goals in support of the Vision Statement
 - Completion of the work plan
2. Extent of participation by government, business, and community leaders
 - Board of Directors meeting attendance
 - Establishment of effective committee structure
 - District communication and dissemination of information
3. Number of EDA grants awarded based on CEDS strategy.
 - 0 = 0 points
 - 1-2 = 2 points
 - 3-4 = 4 points
 - 5+ = 5 points
4. Hours of non-EDA-funded staff/volunteer activity in CEDS process.

2005 CEDS Evaluation

1. Quality of the Regional CEDS

- Usefulness of economic analysis
- Appropriateness of Vision Statement
- Relevance of the goals in support of the Vision Statement
- Completion of the work plan

Rating: 5

Comments: Several additions and revisions to economic analysis recommended by CEDS committee for inclusion in next CEDS. There is general satisfaction with the Vision Statement and the goals appear to remain valid. Required work plan elements will be completed by conclusion of grant year.

2. Extent of participation by government, business and community leaders

- Board of Directors meeting attendance
- Establishment of effective committee structure
- District communication and dissemination of information

Rating: 3

Comments: Attendance at Board of Directors meetings has improved; Executive Committee meets monthly, with good attendance; CEDS Committee established, no other committees currently in place; Website upgrade and electronic communication capabilities under development; extensive work done to develop regional economic development contacts mail/e-mail list.

Recommended Actions: Work to ensure that meeting programs are relevant and will stimulate interest and attendance. Explore ways to get more board members directly involved, through additional subcommittees, special project, events, tours or other functions. Continue to utilize e-mail to provide faster communications.

3. Number of EDA grants awarded based on CEDS strategy

- 0 = 0 points
- 1-2 = 2 points
- 3-4 = 4 points
- 5+ = 5 points

Rating: 3

Comments: One project authorized for funding and several other applications are in the development stage.

Recommended Actions: Continue to promote the EDA grant program throughout the region. Continue to provide technical assistance to applicants in order to strengthen proposals and applications.

4. Hours of non-EDA-funded staff/volunteer activity in CEDS process

Rating: 4

Comments: Thirty e-mail and fax responses to CEDS needs assessment, estimated 40 hours expended. 24 hours expended by participants in CEDS committee meetings. Six issues of GCEDD e-newsletter published.

Recommended Actions: Continue to hold meetings to invite input into CEDS process. Continue to expand economic development contact lists and utilize e-mail surveys to gain input from a wide spectrum of stakeholders in the region's economic development.

Overall rating: 15 out of 20

Appendix A: Regional Cluster Analysis

An industry cluster is a geographic concentration of firms that are interconnected via a buyer-supplier chain. Cluster analysis can provide a clear picture of the regional economy by indicating the industry clusters that are growing in importance and the ones that are declining. Analysis of industry clusters is a starting point in formulating economic development strategies. Economic development strategies designed for industry clusters will have more effect on regional growth than the ones designed for individual industries.

This study measured the performance of industry clusters in the Gulf Coast Economic Development District (GCEDD). The primary objective of this study was to assess regional competitiveness in attracting and retaining industry clusters. The study analyzed industry cluster structure of the GCEDD region as a whole and each of the thirteen counties. The study utilized economic development tools such as Location Quotient, Economic Base Model, and Shift-Share Analysis to analyze the growth of industry clusters in the GCEDD region. The location quotient model quantifies the degree of concentration of clusters in a region relative to the nation or the state. It reveals the dominant clusters in the region as well as the ones that are emerging or transforming. The economic base model identifies the export-oriented clusters in the region and measures their impact on the local economy. The shift-share analysis on the other hand, measures a region's comparative advantage for industry clusters. It identifies the clusters that are mainly influenced by local factors as compared to external factors. The study analyzed 23 industry clusters in the GCEDD region, as well as each of the thirteen counties.

Key Findings from the Study

When Compared to the Nation

- ✚ The GCEDD region was found to be specialized in seven clusters, they are
 - Biomedical/Biotechnical,
 - Business & Financial Services Cluster,
 - Chemical & Chemical Based Products,
 - Energy,
 - Fabricated Metal Product Manufacturing,
 - Machinery Manufacturing, and
 - Transportation & Logistics;

However, three (Business & Financial Services Cluster, Energy, and Transportation & Logistics) of the seven clusters are considered to becoming less dominant over a period of time. The decreasing concentration of Energy cluster is a result of national trend and not local economic conditions. On the other hand, the decreasing concentration of Transportation & Logistics is a result of local economic conditions.

- ✚ Export-oriented clusters in the region are
 - Biomedical/Biotechnical,
 - Chemical & Chemical Based Products,
 - Energy,
 - Fabricated Metal Product Manufacturing,
 - Machinery Manufacturing, and

- Transportation & Logistics

These clusters export most of their goods and services and therefore bring money into the region and thus have a major influence on regional economic growth.

✚ Clusters favored by local economic conditions are

- Biomedical/Biotechnical,
- Chemical & Chemical Based Products,
- Fabricated Metal Product Manufacturing, and
- Machinery Manufacturing

These clusters are mainly influenced by local economic factors as compared to the external factors.

✚ The region has eight emerging clusters, out of which the Advanced Material and Computer & Electronic Product Manufacturing clusters will have a significant influence on the local economy, in the near future.

When compared to the state

✚ The GCEDD region was found to be specialized in nine clusters, they are

- Advanced Materials,
- Biomedical/Biotechnical,
- Business & Financial Services Cluster,
- Chemical & Chemical Based Products,
- Electrical Equipment, Appliance & Component Manufacturing,
- Energy,
- Fabricated Metal Product Manufacturing,
- Machinery Manufacturing, and
- Transportation & Logistics;

However, four (Biomedical/Biotechnical, Business & Financial Services Cluster, Transportation & Logistics, and Fabricated Metal Product Manufacturing) of the nine clusters are becoming less concentrated over a period of time.

✚ Export-oriented clusters in the region are

- Biomedical/Biotechnical,
- Chemical & Chemical Based Products,
- Energy,
- Fabricated Metal Product Manufacturing, and
- Machinery Manufacturing

These clusters export most of their goods and services and therefore bring money into the region and thus have a major influence on regional economic growth.

✚ Clusters favored by local economic conditions are

- Advanced Material,
- Chemical & Chemical Based Products,
- Electrical Appliance Equipment & Component Manufacturing,
- Energy, and
- Machinery Manufacturing;

These clusters are mainly influenced by local economic factors as compared to the external factors.

- ✚ The region has eight emerging clusters, out of which the Glass & Ceramics and Computer & Electronic Product Manufacturing clusters will have a significant impact on the local economy, in the near future.

Comparing regional clusters with respect to the nation as well as the state helped in identifying regional differences in cluster growth. For example, the Biomedical/Biotechnical cluster was growing well as compared to the nation, but not as well compared to the state. This indicates that other regions in the state favor Biotech cluster growth as compared to the GCEDD region. Conversely, the Advanced Materials cluster was less concentrated in the region as compared to nation, but was found to be more concentrated as compared to the state. This indicates that within Texas, the Advanced Materials cluster is growing well in the GCEDD region as compared to other regions.

The growth of some of the clusters (for instance the biotech cluster) is significantly affected by local economic factors that can be modified or improved by the local policy makers. Therefore, it is the responsibility of the local economic development agencies to assess the local economic factors that would favor the location of industry clusters. The first and the foremost thing a local economic development agency should consider doing is to identify the target clusters. The target clusters are the ones that are:

1. export-oriented;
2. have location quotient greater than one;
3. have a positive value for change in location quotient;
4. favored by local economic factors;
5. large employers; and
6. have a high gross industry product.

Once target clusters are identified, the local economic development agencies should conduct surveys, interviews and focus group discussions with industry experts to identify their industry location preferences. The local agencies can also gather information from research publications, news articles, and other regional sources that provide vital data for economic development.

Since the study used aggregate data, local economic development agencies should be careful in interpreting and applying the results to any particular industry. Moreover, the results differ with respect to the reference area (state or nation). The results from this study should be combined with other techniques or data for designing strategies. We do not recommend formulating major decisions based on these results alone. Since economic development tools are time-based, it is desirable to repeat the analysis on a regular basis for monitoring the growth of industry clusters.

Appendix B: Board Roster

Gulf Coast Economic Development District Board of Directors Roster 2009-2010

(Executive Committee members are bolded)

| Name | Board Status | Category | Representing | Organization | Email |
|------------------------|------------------------|----------------------------|--|--|----------------------------------|
| Owen Bludau | Director | County | Matagorda County | Matagorda Co. EDC | obludau@co.matagorda.tx.us |
| J. Curtiss Brown, Jr. | Director | County | Galveston County | Galveston County | curtiss.brown@co.galveston.tx.us |
| Karen Cantu-Bocerra | Director | City | City of Houston | Principal Partnering Group | kb@theppgllc.com |
| Jorge Colorado | Director | Regional Economic Interest | Houston Small Business Corporation | Houston Small Business Corporation | j.colorado@hbdinc.org |
| Carol Courville | Treasurer | County | Austin County | San Bernard Electric Cooperative | courville@sbec.org |
| Paul Davis | Director | City | Pasadena | City of Pasadena | pdavis@ci.pasadena.tx.us |
| D. C. Dunham | Director | Regional Economic Interest | Bay City Community Development Corporation | Bay City Community Development Corporation | dcdunham@cityofbaycity.org |
| Nick Finan | Director | City | City of Texas City | City of Texas City | nfinan@texas-city-tx.org |
| John Isom | Director | Regional Economic Interest | City of Waller | City of Waller | jisom@WallerEDC.org |
| Guy Robert Jackson | Director | County | Chambers County | City of Anahuac | grj@ccac.net |
| Jan Lawler | Director | Regional Economic Interest | Houston Port Region | Economic Alliance Houston Port Region | jan@allianceportregion.com |
| Marlon Mitchell | Director | Regional Economic Interest | Houston Small Business Corporation | Houston Small Business Corporation | m.mitchell@hsbdc.org |
| Regina Morales | Director | Regional Economic Interest | City of Sugar Land | City of Sugar Land | rmorales@sugarlandtx.gov |
| Dr Freddie Richards | Director | Regional Economic Interest | Educational Institutions | Prairie A&M University | flrichards@pvamu.edu |
| Mike Rozell | President | County | Harris County | Office of Harris County Judge | Mike.Rozell@cjo.hctx.net |
| David Schroeder | Secretary | County | Wharton County | Wharton EDC | wedco@intertex.net |
| B.J. Simon | Asst. Secretary | Regional Economic Interest | Baytown West Chambers County Economic Development Foundation | Baytown West Chambers County Economic Development Foundation | bjsimon@baytownedf.org |
| Jeff Sjostrom | Vice President | City | City of Galveston | Galveston Economic Dev. Partnership | sjobizz@att.net |
| <i>Chuck Wemple</i> | <i>Staff</i> | H-GAC staff | H-GAC | H-GAC | cwemple@h-gac.com |
| Jeff Wiley | Director | County | Fort Bend County | Greater Ft. Bend County EDC | jwiley@fortbendcounty.org |
| Laura Wilson | Director | County | Liberty County | Chambers/Liberty Co. Nav. Dist. EDC | laura@llwilsonedservices.com |
| Robert Worley | Director | County | Brazoria County | Economic Development Alliance of Brazoria County | debbiep@eda-bc.com |
| Vince Yokum | Director | County | Waller County | Waller County Economic Development Partnership | vyokom@wallercounty.org |

Appendix C: Project Selection Process

Local jurisdictions and agencies will be the initiating entities for the implementation of EDA-funded projects, with the District serving as facilitator. The primary focus of these projects and activities will be job creation. Owing to the diversity of the region, which ranges from highly urbanized to rural areas, there will be a broad range of projects for which EDA support is appropriate, including infrastructure, technical assistance, planning and organizational development.

Opportunities for project development will also frequently arise on short notice. Recognizing that a quick response is often critical to successful project implementation, the GCEDD will use the following steps in project selection:

1. Prospective applicant contacts EDD staff regarding potential project. Staff will assist in developing project proposal, if feasible.
2. Meeting will be arranged between applicant, EDD staff, and EDA regional representatives to review initial proposal and determine if application is warranted.
3. Applicant proceeds to complete EDA application requirements.
4. Applicant contacts and receives letter of support from chief elected officials (if local government).
5. Applicant submits application simultaneously to H-GAC for OMB A-95 review and to the regional EDA office in Austin. H-GAC/EDD staff will review application for consistency with EDD goals and objectives. Applicant receives the A-95 review comments and a letter of support from the Gulf Coast Economic Development District, Inc.

Before the EDA can determine if a Public Works/Planning Grant project has met the requirements of the Comprehensive Economic Development Strategy, the District requires a signed statement from the District's executive director or chairperson of the CEDS committee (or a designee thereof). The statement should provide the following information:

1. Is the applicant an active participating member of the District?
2. Is the project located in an eligible redevelopment area?
3. Is the project consistent with the CEDS?
4. Have specific references to the CEDS report on how the project meets the CEDS strategy, goals and objectives been provided?
5. Has a brief statement on when the District or area CEDS committee was notified about the project, and what specific involvement they had in developing the project been created?
6. Has a statement been provided showing that the project selection procedures detailed in the CEDS report have been met?

EDA Grant Consistency Evaluation Process

The GCEDD CEDS Committee will serve as the review body to determine consistency of potential EDA grant projects with the CEDS. The grant consistency evaluation process is described as follows:

1. Request that EDA direct all applicants to contact District staff during proposal development
2. District staff will provide information to CEDS Committee and attempt to clarify/rectify questions/concerns with the applicant and forward results to CEDS committee
3. Request that EDA forward all proposals to District staff once they have been evaluated and a determination has been made to invite a full application
4. Staff will forward to CEDS Committee and request comments or questions within 3 business days
5. Staff will forward any comments or attempt to resolve any questions with the applicant and forward results to CEDS Committee within 3 business days
6. If any CEDS Committee member believes the project to be inconsistent with the CEDS strategy, they will notify District staff within 1 business day and a conference call or vote by e-mail or fax will be taken
7. Staff will prepare a consistency/inconsistency determination letter and forward to applicant and EDA.

It is anticipated that, from time to time, project proposals will be submitted to address local or regional needs not identified in the CEDS. In these instances, the CEDS Committee will determine whether the project is generally consistent with the overall goals of the CEDS and whether the CEDS should be revised to address the needs identified. The CEDS Committee would make any such recommendations to the GCEDD Board of Directors.

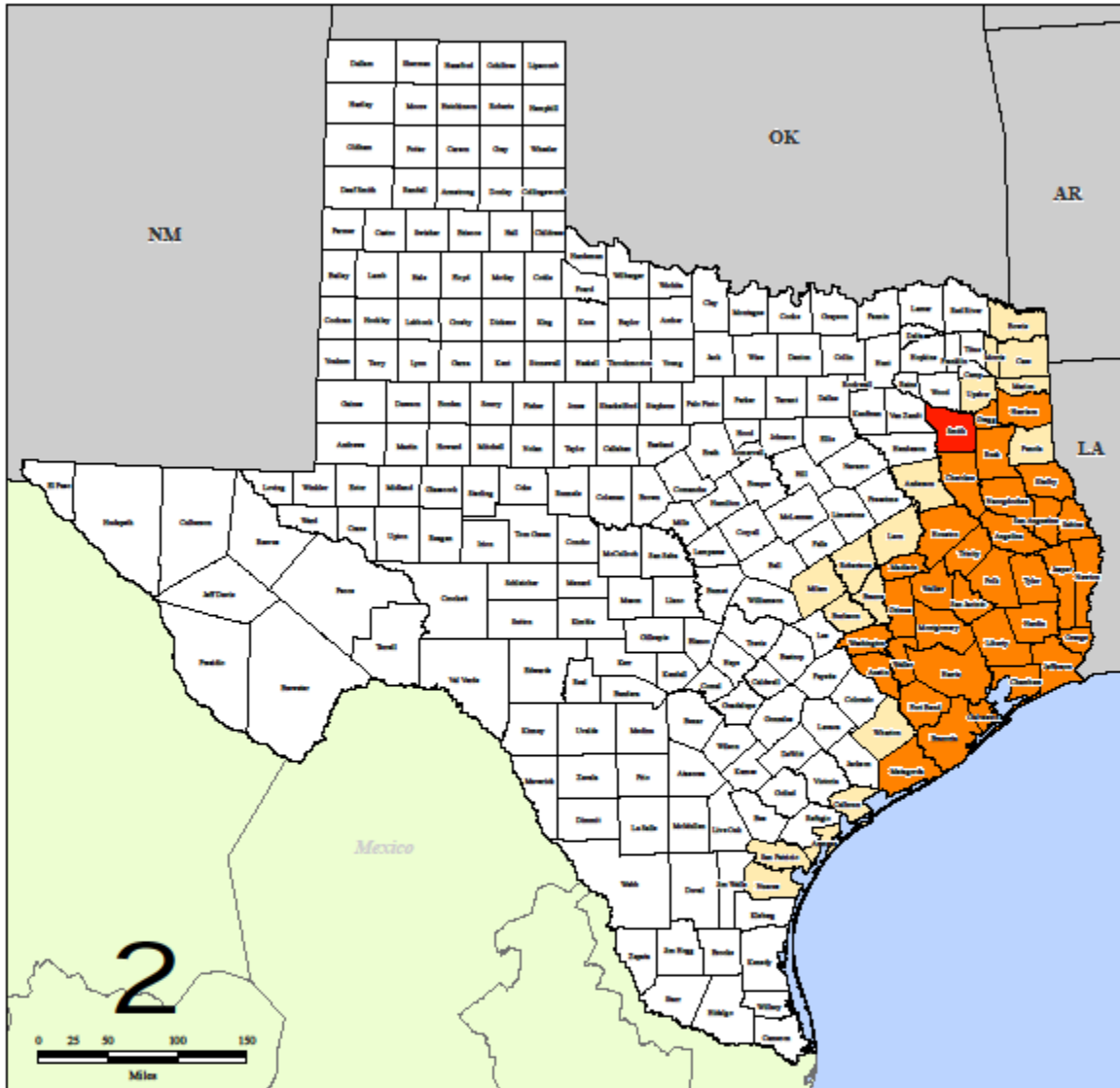
Appendix D: Board Minutes Adopting CEDS

**GULF COAST ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS**

Minutes of the July 17, 2009

Appendix E: FEMA-1791-DR Disaster Declared Counties

FEMA-1791-DR, Texas Disaster Declaration as of 11/21/2008




Location Map

Legend

Designated Counties

- No Designation
- Public Assistance
- Individual Assistance
- Individual Assistance and Public Assistance



FEMA

*FIS Mapping & Analysis Center
Washington, DC
11/21/08 -- 04:19 PM EST*

*Source: Disaster Federal Registry Notice
Amendment No. 13 - 11/21/2008*

All counties are eligible for Hazard Mitigation

MapID 22f682b15cd1121081606hqprod