

RICHARD WARREN, PRESIDENT
SHELLEY FULLER, BOARD MEMBER
VENESSA GUERRERO, BOARD MEMBER
CHUCK ENGELKEN, BOARD MEMBER



DANNY EARP, BOARD MEMBER
DOYLE BLACK, BOARD MEMBER
NANCY OJEDA, VICE-PRESIDENT

CITY OF LA PORTE DEVELOPMENT CORPORATION MEETING AGENDA

Notice is hereby given of a meeting of the City of La Porte Development Corporation to be held on June 25, 2018, at the City Hall Council Chambers, 604 W. Fairmont Parkway, La Porte, Texas, beginning at 5:00 PM to consider the following items of business:

1. **CALL TO ORDER**
2. **AUTHORIZATIONS**
 - (a) Consider approval or other action regarding minutes of the meeting held on March 26, 2018 - P. Fogarty
3. **DISCUSSION AND POSSIBLE ACTION**
 - (a) Discussion and possible action regarding the proposed budget for La Porte Development Corporation Board for Fiscal Year 2018-2019 - R. Cramer
 - (b) Discussion or possible action regarding an update of the Economic Development Strategic Plan - R. Cramer
4. **SET DATE FOR NEXT MEETING - R. Cramer**
5. **Board member comments regarding matters appearing on agenda; Recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies.**
6. **Adjourn**

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

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

CERTIFICATION

I certify that a copy of the June 25, 2018 , agenda of items to be considered by the Board of the La Porte Development Corporation was placed on the City Hall Bulletin Board on June 19, 2018.

A handwritten signature in cursive script that reads "Patrice Fogarty".

Patrice Fogarty, City Secretary

RICHARD WARREN, PRESIDENT
NANCY OJEDA, VICE-PRESIDENT
CHUCK ENGELKEN, BOARD MEMBER
VENESSA GUERRERO, BOARD MEMBER



DANNY EARP, BOARD MEMBER
DOYLE BLACK, BOARD MEMBER
SHELLEY FULLER, BOARD MEMBER

MINUTES OF LA PORTE DEVELOPMENT CORPORATION BOARD MEETING OF MARCH 26, 2018

The City of La Porte Development Corporation Board met on **March 26, 2018**, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, 77571, at **5:00 p.m.** to consider the following items of business:

1. CALL TO ORDER

President Richard Warren called the meeting to order at 5:00 p.m. Other members of the La Porte Development Corporation Board present: Board members Engelken, Black, Earp, and Ojeda. Absent: Board member Fuller. Staff Present: Corby Alexander, Jason Weeks, Patrice Fogarty, Ryan Cramer and Clark Askins. Board member Guerrero arrived at 5:03 p.m. after action was taken on Items 2(a) and (b).

2. AUTHORIZATIONS

(a) Consider approval or other action regarding minutes of the February 12, 2018, meeting of the La Porte Development Corporation Board – P. Fogarty

Board member Engelken moved to approve minutes of the February 12, 2018, meeting of the La Porte Development Corporation Board. Board member Ojeda seconded the motion. **MOTION PASSED UNANIMOUSLY 5/0. Board members Guerrero and Fuller were absent.**

(b) Consider approval or other action authorizing La Porte Development Corporation Staff to execute payment in the amount of \$5,000.00 to Patrasia Helfey, in accordance with the terms of incentive agreement for the enhancement grant project at 832 S. Broadway – R. Cramer

Board member Engelken moved to authorize Staff to execute payment in the amount of \$5,000.00 to Patrasia Helfey, in accordance with the terms of incentive agreement for the enhancement grant project at 832 S. Broadway. Board member Ojeda seconded the motion. **MOTION PASSED UNANIMOUSLY 5/0. Board member Fuller and Guerrero were absent.**

Board member Guerrero arrived at 5:03 p.m. after action was taken on Items 2 (a) and (b).

3. DISCUSSION AND POSSIBLE ACTION

(a) Discussion and possible action regarding guidance as it relates to prospective incentive projects – R. Cramer

Economic Development Coordinator Ryan Cramer presented a summary.

4. **SET DATE FOR NEXT MEETING**

Board members set April 23, 2018, for the next meeting.

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

Economic Development Coordinator Ryan Cramer provided an update of Ineos economic development.

Board member Ojeda asked Staff to confirm if the La Porte Development Corporation Board had budgeted for additional parking at the ballpark.

6. **ADJOURN**

There being no further business, Board member Engelken moved to adjourn the meeting at 5:23 p.m. Board member Guerrero seconded the motion. **MOTION PASSED UNANIMOUSLY 6/0. Board member Fuller was absent.**

Respectfully submitted,

Patrice Fogarty, City Secretary

Passed and approved on this the ____ day of _____, 2018.

President Richard Warren

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

| |
|--|
| Agenda Date Requested: <u>June 25, 2018</u> |
| Requested By: <u>Ryan Cramer</u> |
| Department: <u>Administration</u> |
| Report: <input checked="" type="checkbox"/> Resolution: <input type="checkbox"/> Ordinance: <input type="checkbox"/> |

| <u>Budget</u> | | |
|-------------------|-------|----|
| Source of Funds: | _____ | |
| Account Number: | _____ | |
| Amount Budgeted: | _____ | |
| Amount Requested: | _____ | |
| Budgeted Item: | YES | NO |

Exhibit: Proposed Economic Development Budget
Exhibit: 038 Fund Summary

SUMMARY & RECOMMENDATION

It has been common practice to show the Economic Development Corporation the Office of Economic Development's proposed budget. Having been presented to City Administration and Finance, the next step will be approval from City Council.

Does the EDC accept this budget?

Action Required by the La Porte Development Corporation:

Provide staff with direction regarding the Office of Economic Development's budget.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

City of La Porte, Texas
Economic Development Corporation
038-6030-565
Detail of Expenditure

Exhibit A

| | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Budget 2017-18 | Estimated 2017-18 | Notes - Revised Estimate | Requested 2018-19 | Notes - Departmental Request |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|---|----------------------|---|
| Personal Services: | | | | | | | | |
| 1010 Regular Earnings | \$ 75,827 | \$ 53,168 | \$ 8,561 | \$ 60,546 | \$ 56,389 | | \$ 58,608 | |
| 1020 Overtime | - | 18 | 13 | - | - | | - | |
| 1035 Longevity | 129 | 186 | 45 | 180 | 128 | | 228 | |
| 1055 Termination Pay (S/V) | - | 2,850 | - | - | - | | - | |
| 1060 FICA | 5,666 | 4,165 | 596 | 4,632 | 4,314 | | 4,484 | |
| 1065 Retirement | 12,506 | 8,960 | 1,385 | 9,772 | 9,180 | | 9,541 | |
| 1080 Insurance - Medical | 10,423 | 10,423 | 10,423 | 13,028 | 13,028 | | 12,000 | |
| 1081 Insurance - Life | 29 | 32 | 31 | 32 | 32 | | 32 | |
| 1090 Other Benefits | - | 950 | - | - | - | | - | |
| Personal Services Subtotal | 104,580 | 80,752 | 21,054 | 88,190 | 83,071 | | 84,893 | |
| Supplies: | | | | | | | | |
| 2001 Office Supplies | 79 | 118 | - | 200 | 75 | | 200 | |
| 2002 Postage | 140 | 113 | 37 | 200 | 50 | | 200 | |
| 2015 Other Supplies | 1,370 | 1,636 | 420 | 600 | 500 | Dinner for TIRZ board | 500 | Dinner for TIRZ boards |
| Supplies Subtotal | 1,589 | 1,867 | 457 | 1,000 | 625 | | 900 | |
| Services & Charges: | | | | | | | | |
| 3001 Memberships & Subscriptions | 44,666 | 40,960 | 42,500 | 45,000 | 42,770 | | 40,950 | BAHEP - \$20,000; Economic Alliance - \$20,000; American Planning Association - \$270; TEDC - \$500; UMPSET - \$25; Associate TCMA - \$130; TCMA Region 6 - \$25 |
| 3020 Training/Seminars | 8,556 | 7,210 | 2,537 | 4,500 | 4,500 | | 6,475 | TEDC Conference - \$1,500; TCMA Conference - \$2,200; TML Conference - \$2,000; Two TEDC Webinars - \$175; Various Workshops and Mileage - \$600 |
| 3024 Tuition Reimbursement | - | - | - | - | - | | 3,500 | Tuition Reimbursement - \$3,500 |
| 5001 Accounting | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | | 5,000 | Annual Audit |
| 5003 Legal | 9,904 | 7,671 | 2,325 | 10,000 | 6,000 | | 10,000 | |
| 5007 Other Professional Services | 6,305 | 12,742 | - | 108,500 | 108,500 | | 78,500 | Harris County Transit Bus - \$74,000, \$4,500 for Civic Plus (website) |
| 6002 Printing & Reproduction | 498 | 361 | - | 13,000 | 2,000 | | 4,000 | Shop Local Poster Campaign; What's Made in the Industrial District?; Local Restaurant Advertising Sheet for Golf Course/Hotels |
| 6005 Advertising | 45,715 | 41,301 | 8,450 | 5,300 | 2,000 | | 15,000 | Linkedin or Facebook campaign \$1,500; REDNews \$1,000; Other \$2,500; Real Estate Listing Service - \$5,000; FDC Video - \$5,000 |
| 6040 Trade Shows | 8,828 | 2,482 | - | 5,000 | - | | 5,000 | |
| 9050 Contingency | - | - | - | 250,000 | - | | - | |
| 9997 Special Programs | 123,957 | 215,500 | 443,872 | 235,000 | 120,000 | Pipeline Incentive - \$100,000; Mini-mural Project - \$10,000; Other - \$10,000 | 427,527 | \$2,527 - 3% Merit; Northern Star - \$50,000 (final); Pipeline Incentive \$100,000 (final), moved \$275,000 from 9050 for projects/enhancement grants and other incentives. |
| 9004 Adm Transfer to Fund 004 | 1,083,817 | 680,668 | 685,247 | 1,014,012 | 1,014,012 | | 1,033,362 | |
| 9015 Adm Transfer to Fund 015 | - | - | 1,340,200 | 2,065,200 | 2,065,200 | | 1,835,700 | Broadway lights, Texas Street and fitness center |
| Services & Charges Subtotal | 1,337,246 | 1,013,895 | 2,530,131 | 3,760,512 | 3,369,982 | | 3,465,014 | |
| Division Total | \$ 1,443,415 | \$ 1,096,514 | \$ 2,551,642 | \$ 3,849,702 | \$ 3,453,678 | | \$ 3,550,807 | |

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

| | | | |
|---|-----------|----|------------------|
| Beginning Fund Balance 9/30/17 | | \$ | 4,584,535 |
| Plus Estimated 17-18 Revenues | | | 2,530,000 |
| Less Estimated 17-18 Expenditures and Commitments | | | |
| Economic Development Operations | 374,466 | | |
| Debt Payments | 1,014,012 | | |
| Capital Projects/Transfers | 2,065,200 | | |
| Total Expenditures | 3,453,678 | | 3,453,678 |
| Estimated Fund Balance 9/30/18 | | | 3,660,857 |
| Plus 18-19 Revenues: | | | |
| 1/2 Cent Sales Tax | 2,500,000 | | |
| Interest Income | 30,000 | | |
| Total Revenues | 2,530,000 | | 2,530,000 |
| Equals Total Resources | | | 6,190,857 |
| Less 18-19 Expenditures: | | | |
| Economic Development Operations | 681,745 | | |
| Debt Service Transfer * | 1,033,362 | | |
| Transfer to General CIP Fund: | | | |
| Decorative Lighting on Mainstreet | 480,700 | | |
| Construction of Texas Avenue/E G St to Fairmont | 355,000 | | |
| Fitness Center | 1,000,000 | | |
| Total Expenditures | 3,550,807 | | 3,550,807 |
| Ending Fund Balance 9/30/19 | | \$ | 2,640,050 |

| | | Estimated | | Projected |
|----------------------------|----|-----------|----|-------------|
| | | 2017-18 | | 2018-19 |
| Revenues | \$ | 2,530,000 | \$ | 2,530,000 |
| Expenditures & Commitments | | 3,453,678 | | 3,550,807 |
| Revenues over Expenditures | \$ | (923,678) | \$ | (1,020,807) |

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

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

| |
|--|
| Agenda Date Requested: <u>June 25, 2018</u> |
| Requested By: <u>Ryan Cramer</u> |
| Department: <u>Administration</u> |
| Report: <input checked="" type="checkbox"/> Resolution: <input type="checkbox"/> Ordinance: <input type="checkbox"/> |

| <u>Budget</u> | | |
|-------------------|-------|----|
| Source of Funds: | _____ | |
| Account Number: | _____ | |
| Amount Budgeted: | _____ | |
| Amount Requested: | _____ | |
| Budgeted Item: | YES | NO |

Exhibit: Strategic Plan
Exhibit: _____

SUMMARY & RECOMMENDATION

The Economic Development Strategic Plan was completed in May 2009 and looked forward for La Porte's economic development from 2009 through 2013. Based on the City's growth, about 10 years is a reasonable amount of time to wait for an update. With predicted growth in population in the coming few years, it is important to begin to start looking ahead. Additionally, the City is in the process of going out for request for proposals for an update to the City's strategic plan that covered the years from 2013 through 2018.

In this year's budget, \$20,000 was allocated for an update to the Economic Development strategic plan. Staff believes the cost could be more, so has explored other areas for funding. There was \$10,000 allocated for AEDO certification, which appears the City is no longer interested in pursuing. Staff would like to lump this \$10,000 in with the strategic plan update budget of \$20,000 for a budget of \$30,000 to be available to be used to update the Economic Development strategic plan.

This is not an approval of a certain company to perform the update. This is to confirm that the EDC's interest so that staff can move forward with the proposal process.

Action Required by the La Porte Development Corporation:

Confirm the EDC's interest in moving forward with a strategic plan update.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager



Chapter 3: Strategic Plan

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

May 2009



1601 D West 6th Street
Austin, Texas 78703
(512) 472-1555
info@avalancheconsulting.net



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Acknowledgements

Avalanche Consulting, TXP, and Gateway Planning would like to thank the City of La Porte's City Council, staff, and Economic Development Board for their tireless support throughout the course of this project. We would also like to recognize the input and support of the members of the project Steering Committee for setting aside their time and providing invaluable insight during the creation of this Economic Development Strategic Plan.

Members of the Steering Committee included:

Stephen Barr – Parks and Recreation Manager, City of La Porte
Ron Bottoms – City Manager, City of La Porte
Martha Gillett – City Secretary, City of La Porte
Karen Gregory – Economic Development Director, CenterPoint Energy
Gary Huffman – Plant Manager, Invista
John Joerns – Assistant City Manager, City of La Porte
Susan Muha – San Jacinto College District
Russell Plank – Principal, National Property Holdings
Jeff Suggs – Emergency Management, City of La Porte
Tim Tietjens – Planning Director, City of La Porte
Debbie Westbeld – Economic Development Coordinator, City of La Porte

In addition, the project team greatly appreciates the many other community leaders who contributed insight during interviews and focus groups. Their input helped shape this plan. These individuals included:

| | |
|---|---|
| Katherine Aguilar, Resident | Ronda Lunsford, Main Street Advisory Board |
| Margaret Anderson, Main Street Advisory Board | Shar Lynch, Main Street Advisory Board |
| Nick Barrera, Planning & Zoning Commission | Georgia Malone, La Porte City Council |
| Barry Beasley, La Porte EDC Board Member | Bill Manning, Jr., Main Street Advisory Board |
| John Black, La Porte City Council | Ed Matuszak, Main Street Advisory Board |
| Jerry Carpenter, Main Street Advisory Board | J.J. Meza, TIRZ Board Member |
| Mike Clausen, La Porte City Council | Tommy Moser, La Porte EDC Board Member |
| Chuck Dibala, Imperial Homes | Mike Mosteit, La Porte City Council |
| Dennis Dunham, Resident | Fred Muston, La Porte Heritage Society |
| Chuck Engelken, La Porte City Council | Pat Muston, La Porte EDC Board Member |
| Mark Follis, Main Street Advisory Board | Bob Pizzitola |
| Debra Gallington, Main Street Advisory Board | Alton Porter, Mayor |
| David Janda, Planning & Zoning Commission | Louis Rigby, La Porte City Council |
| Paul Larson, Main Street Advisory Board | Garson Silvers, Silvers Development Co. |
| Hal Lawler, Planning & Zoning Commission | Adam Yanelli, Bayshore Sun |
| Bill Love, La Porte EDC Board Member | |



Introduction

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

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

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

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

Planning Process

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

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

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

Section 1: Community Development Policy Review

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

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

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

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

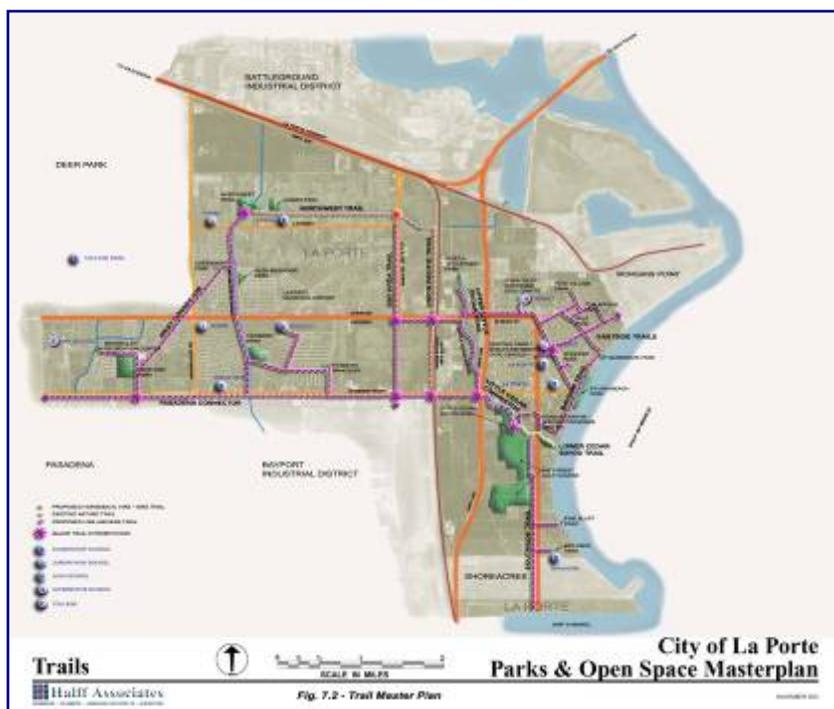
Similarly, tourism has become a growing part of the economy, especially for those communities that can harness historical, local assets such as Sylvan Beach. The tendency towards more local spending because of the economy—rather than longer trips, and La Porte's location in the Greater Houston Region,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

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

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

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

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



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

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

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

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

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

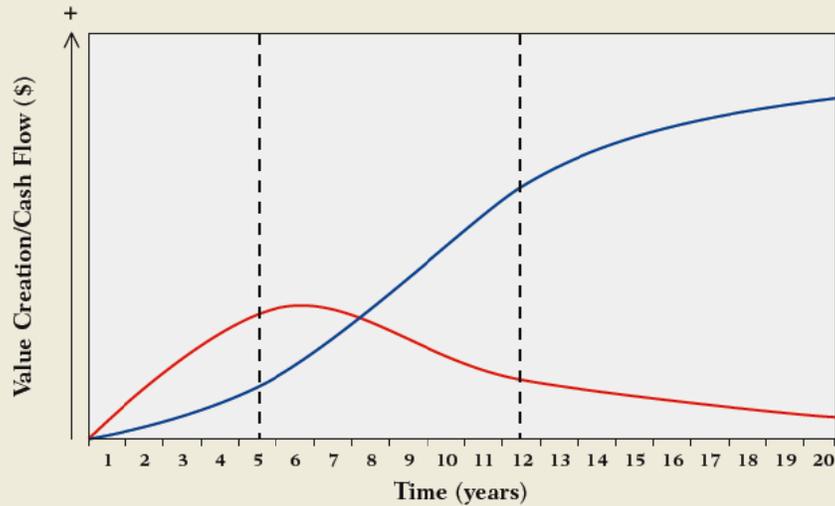


A key link that can be facilitated by tax base value capture will be reinventing San Jacinto Boulevard. Reinventing the street as a safe, inviting pedestrian corridor will bring the emerging trail system to and from Sylvan Beach directly to the Main Street Corridor. The right-of-way of San Jacinto and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



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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Conventional Development

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



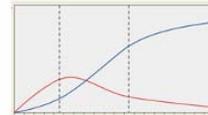
Specifically in regard to the Main Street and the Historic District east of Highway 146, the objective currently in the Comprehensive Plan of “neighborhood buffering” will make it difficult to implement good transitions to connect neighborhoods with high quality adjacent destinations.

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

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

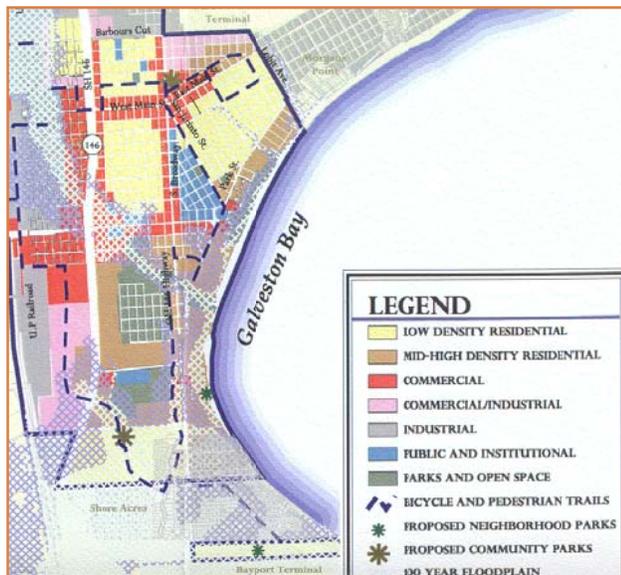
Neighborhood Development

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



Gateway
Planning Group

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

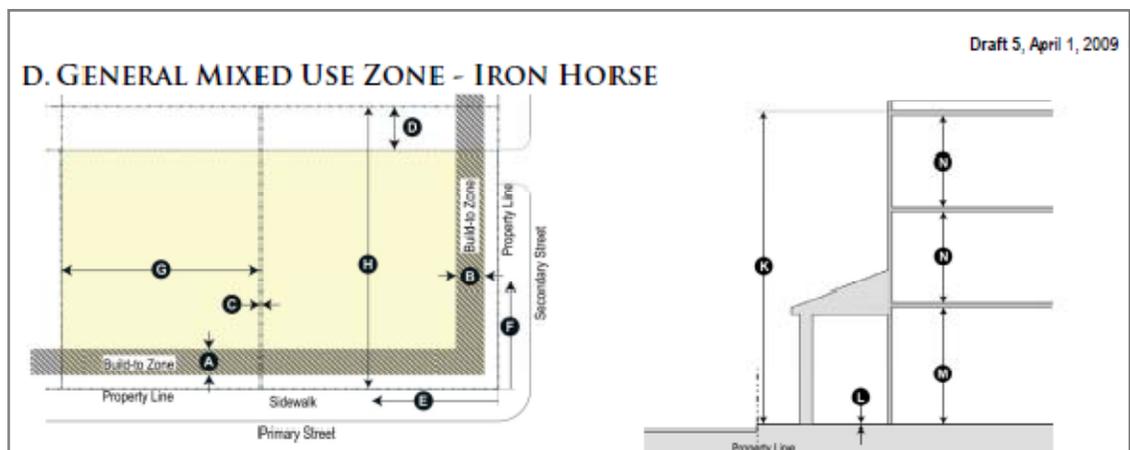


The new approach underlying the need for a new master plan is somewhat reflected in the Main Street Overlay and Design Guidelines. Those regulatory vehicles establish the following:

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

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

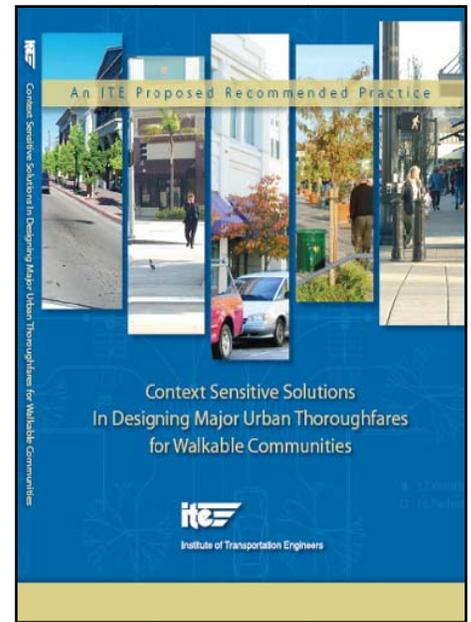
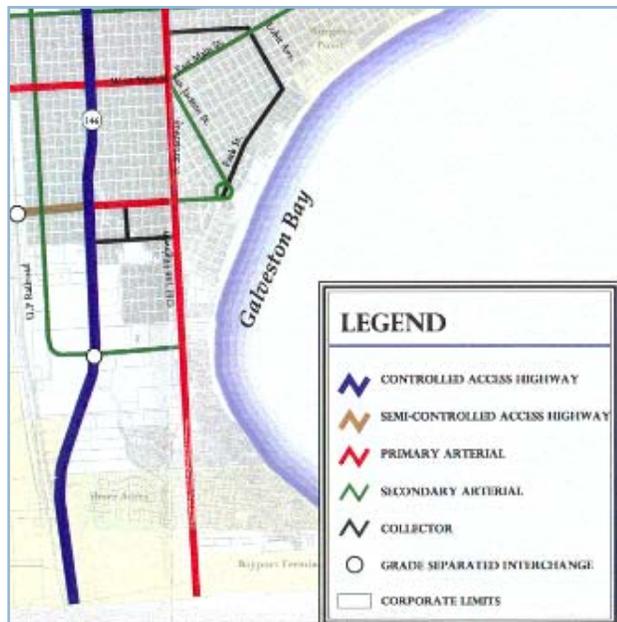
The Overlay supports mixed use, but it does not provide enough certainty of the form of the buildings and the transitions beyond Main Street. Similarly, the Design Standards provide aesthetic guidance such as color; but they do not provide enough guidance for architectural function such as storefront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



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

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

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



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

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

Section 2: Strategic Plan

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

Core Themes

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

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

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

La Porte's Economic Development Mission and Vision

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

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

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

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

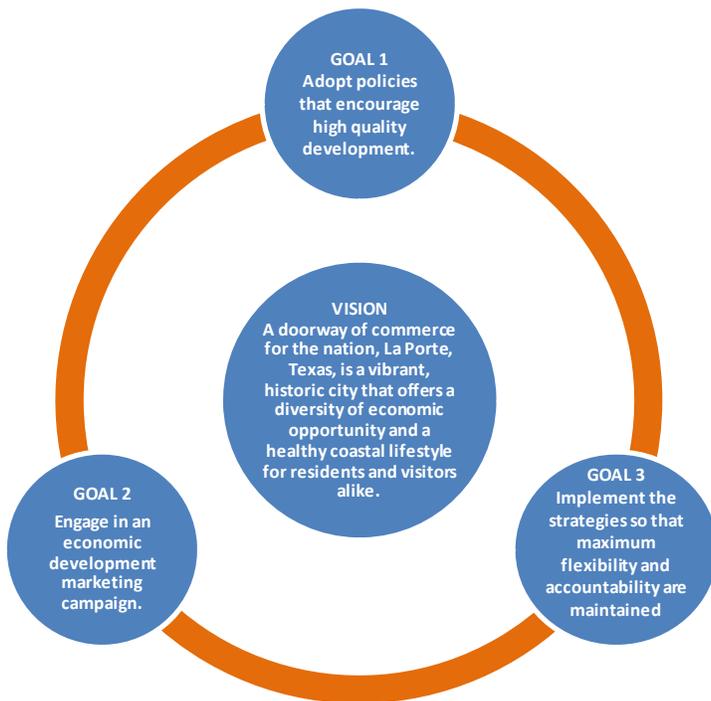
Mission and vision statements serve as the cornerstone of an economic development strategy. All goals and tactics contained within the plan support the overarching vision of the city.

La Porte's Economic Development Goals

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

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

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



GOAL 1.0:

Adopt policies that encourage high quality development.

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

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

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

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

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

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

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

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

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

Strategy 1.2: Prepare the City for retail development.

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

**Retail Development:
Main Street and Fairmont**

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

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

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

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

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

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

Policy Guideline #1:

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

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

The success measures for La Porte should focus on:

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

Evaluation Framework

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

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

Table 1: Preliminary Scoring System

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

Policy Guideline #2

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

Scoring System Factors

Economic/Fiscal Impact and Character of the Jobs

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

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

Policy Guideline #3:

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

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

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

Policy Guideline #4:

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

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

Policy Guideline #5:

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

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

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

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

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

GOAL 2.0:

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

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

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

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

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

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

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

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

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

Strategy 2.1: Organize and launch an external marketing campaign.

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

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

Tactic 2.1.2: Brand and market the downtown district.

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



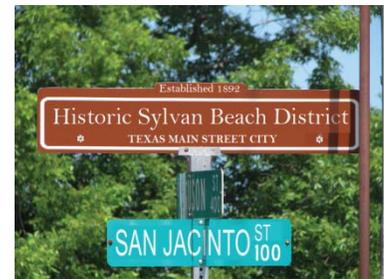
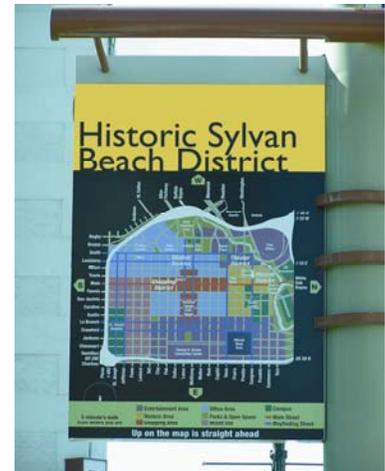
The specific name should incorporate aspects of La Porte that are well known outside of the city and have universal appeal. We recommend **the City adopt “Historic Sylvan Beach” as the umbrella brand,** and adapt that brand to each specific amenity. This concept is illustrated below:

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

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

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

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



Tactic 2.1.3: Market La Porte to tourists.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tactic 2.1.6: Market La Porte to retail developers.

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

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

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

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

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

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

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

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

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

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

Tactic 2.2.2: Formalize a communications function within City government.

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

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

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

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

GOAL 3

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

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

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

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

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

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

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



Appendix

Incentive Policy Example

Mixed Use Project

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

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

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

Project Details

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

Example Abatement Schedule

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