

an economic development strategic plan for  
**HUNTSVILLE, TEXAS**



Prepared for the:  
**THE CITY OF HUNTSVILLE**

Prepared by:



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## introduction

Located at the edge of the Piney Woods in East Texas, Huntsville has historically been recognized as the face of the Texas Criminal Justice system. While the presence of a number of prison units in the community has positively influenced the character of the community by promoting strong values, they have not always contributed to a positive external perception of Huntsville throughout the state. The image of Huntsville as a small, isolated prison town is already out of date. Already the community is beginning to see new developments spread north out of the greater Houston area. In addition, Huntsville enjoys the enviable position of being home to a growing higher education institution, Sam Houston State University (SHSU).

Huntsville’s community and business leadership should recognize that the community lies directly in the path of growth—bringing with it both great opportunities and challenges. Future expansions in business and housing are the obvious opportunities. In addition, the projected growth in the size of SHSU’s student body will continue to present opportunities, as well as challenges. Protecting the community’s quality of life, promoting the prosperity of its citizens, and diversifying the tax base will be Huntsville’s greatest challenges in the coming years. In other words, managing the Huntsville’s growth and maximizing development opportunities will be the key to promoting long-term economic growth and vitality.

### Purpose & Methodology >

The purpose of this plan is to provide the City of Huntsville and area economic development partners with guidance for pursuing opportunities to achieve long-term growth and economic vitality in the community. Some issues, however, that have an indirect impact on Huntsville—but lie beyond the direct responsibility of the City—are raised in this plan. These concerns should be carefully distinguished from the City’s specific mission. For example, one of Huntsville’s greatest economic development opportunities is leveraging the presence of Sam Houston State University, which may require leadership by the university. In addition, it is also recognized that state agencies, such as the Texas Department of Criminal Justice (TDCJ), must abide by legislative and statutory mandates. Nevertheless, this chapter makes recommendations regarding all these issues, because failure to address them will ultimately weaken the City’s effectiveness and overall capacity to support and promote economic development.

The following economic development plan is divided into three sections:

- Economic assessment of Huntsville and comparisons with similar Texas communities,
- Goals, objectives, and action recommendations for economic development in Huntsville, and
- Target industry identification, recommendations, and strategic considerations.



## PRIORITY PROJECTS

This plan offers a host of goals, objectives, and actions to support Huntsville’s long-term economic development. While each is an important component in this plan, certain proposals should be made priorities to stimulate economic development activities and results in Huntsville. For example, area leaders should undertake aggressive internal public relations and external marketing campaigns to both raise awareness of and build support for economic development among the area’s residents and leaders in addition to altering perceptions of the community in the wider region—especially the greater Houston area.

Moreover, several recommendations in this plan go beyond the traditional realm of economic development and will require support from other area entities that are better suited for their implementation due to organizational and financial resources. These recommendations generally lie beyond the purview of a “typical” economic development organization. They remain, however, critical to the successful economic development of Huntsville. As such, it is highly recommended that economic development leaders continue to enlist support from potential allies to ensure that these recommendations are carried out.

The following proposals should be priority projects for economic development in Huntsville (See the **Goals & Strategies** section of this plan for greater detail on each):

- Establishment of an entertainment and cultural district in downtown Huntsville.
- Leveraging entrepreneurship opportunities in partnership with SHSU.
- Working with TDCJ and other relevant parties to maximize the development potential of strategic sites.
- External and internal marketing and image campaign promoting economic development opportunities in Huntsville.



## assessment

### HUNTSVILLE COMPARISONS:

- Conroe (Montgomery Co.)
- Nacogdoches (Nacogdoches Co.)
- Stephenville (Erath Co.)
- Brenham (Washington Co.)
- San Marcos (Hays Co.)
- Corsicana (Navarro Co.)

### Methodology >

To understand the economic development opportunities available in Huntsville, the team conducted an assessment of the area. The purpose of the assessment was to identify Huntsville's unique economic strengths and weaknesses in the context of the wider regional and national economies from a data standpoint. The team relied on the most current and accurate data sources (proprietary and public) covering those attributes that most clearly demonstrated Huntsville's recent economic performance in comparison to similar Texas communities.

The following activities were undertaken to understand Huntsville's economic development challenges and opportunities:

- A review of existing economic and demographic data, including population growth, educational attainment levels, employment growth and distribution, major employers, wages, and location quotients for Huntsville and Walker County,
- Tours of Huntsville sites to better understand its economic development product from a real estate standpoint,
- Focus group meetings and workshops to establish priorities for appropriate goals and objectives.



**SWOT >**

The consulting team conducted a Strengths, Weaknesses, Opportunities, and Threats analysis for Huntsville to create a framework for understanding the area’s issues. This assessment was based on interviews, site visits, data analysis, and our experience. The following table captures the major findings from this analysis:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>▪ Location on I-45</li> <li>▪ Proximity to Houston</li> <li>▪ Stable employment base (TDCJ, SHSU)</li> <li>▪ TDCJ</li> <li>▪ SHSU</li> <li>▪ Competitive wage rates</li> <li>▪ Competitive educational levels</li> <li>▪ Downtown Huntsville</li> <li>▪ Area recreational &amp; tourism assets (national forest, Lake Livingston, golf course, statue, etc.)</li> <li>▪ Available land</li> <li>▪ School district</li> <li>▪ Amenities</li> <li>▪ Environment</li> <li>▪ Water</li> <li>▪ People (intellectual capital)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Limited private sector activity</li> <li>▪ Large share (roughly a third) of property in county off the tax rolls</li> <li>▪ Lack of industrial/business park</li> <li>▪ Retail leakage</li> <li>▪ Limited housing options</li> <li>▪ Perception of “local development community” that Huntsville is difficult to work in</li> <li>▪ Perception of “local development community” that codes are unequally enforced or not strong enough</li> <li>▪ Lack of cohesive internal vision of Huntsville</li> <li>▪ Limited entertainment options</li> <li>▪ Limited spousal employment opportunities</li> <li>▪ Perceptions of school district</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>▪ Population growth</li> <li>▪ Enrollment growth at SHSU</li> <li>▪ Small business/entrepreneurship program at SHSU</li> <li>▪ Other programs (criminal justice, education, banking/finance, theater, dance, radio/TV/film)</li> <li>▪ Additional research opportunities</li> <li>▪ Downtown redevelopment/ revitalization &amp; strengthening connections to the campus</li> <li>▪ Retiree &amp; tourism attraction</li> <li>▪ Entertainment &amp; recreation facilities, venues, activities</li> <li>▪ Graduate retention &amp; alumni attraction</li> <li>▪ Retail attraction &amp; mall</li> <li>▪ Hotel &amp; convention/meeting facility</li> <li>▪ Housing</li> <li>▪ Healthcare</li> <li>▪ Image and marketing campaign</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unmanaged population growth</li> <li>▪ Accommodating student population growth</li> <li>▪ Lack of public transportation</li> <li>▪ Loss of greenspace and forests</li> <li>▪ Declining enrollment at ISD</li> <li>▪ Outsider negative perceptions based on limited information</li> </ul>



## KEY DATA FINDINGS

This following analysis of secondary data sources reveals several trends regarding Huntsville and surrounding Walker County. Unsurprisingly, the local economy is dependent on employment from the public sector due to Huntsville being home to Sam Houston State University and several Texas Department of Criminal Justice prison units. As a result, nearly 50 percent of local employment is concentrated in the public sector.

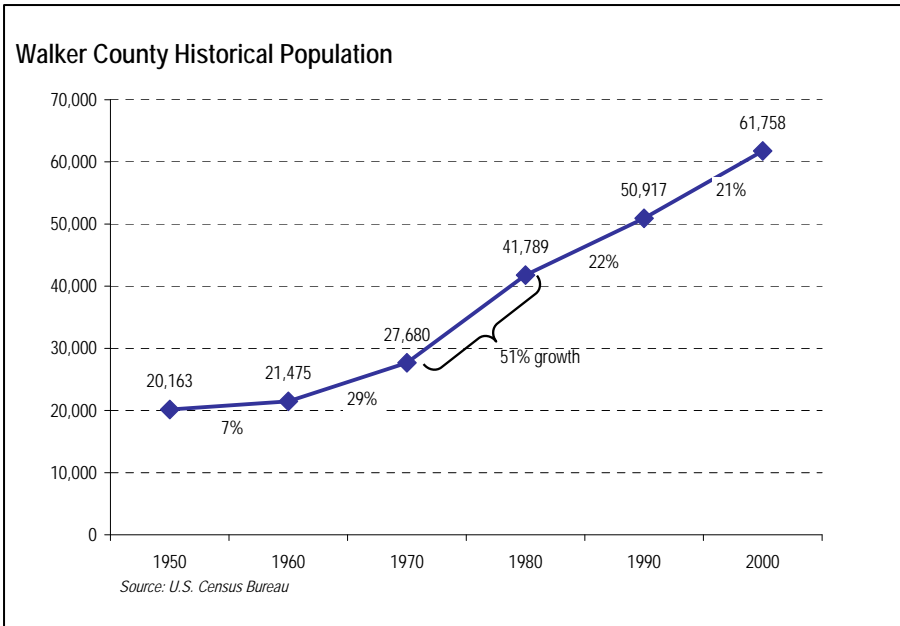
At the same time, employment and labor force growth have slowed in recent years while other peer communities have experienced stronger rates. Their higher growth rates, however, are likely not due to local factors. Most likely, the success of many of these areas is undoubtedly related to their proximity to growing metropolitan regions. For example, Conroe and San Marcos both lie just beyond Houston and Austin and are located on major interstate highways. Much of their employment and labor force increases is assuredly linked to spill-over growth emanating from their larger neighbors.

Regardless, the data from the assessment reveal several potential economic development opportunities. For example, Huntsville enjoys a relatively highly educated young adult population relative to its competitors. This potential advantage is likely a result of Sam Houston State University's location in the area. In addition, wage rates in the area compare favorably with the state, nation, and Huntsville's peers. Actions geared toward leveraging these two advantages should prove promising.

In addition, Walker County has recently enjoyed very strong employment growth rates in the Professional and Business Services sector. Financial Activities and Healthcare have also increased employment in recent years. This development should be given strong consideration, given the relatively high wage rates typically seen in these industries. Further, these sectors offer strategic value as well due to their ability to assist in transforming Huntsville into a destination for talent within the region. Walker County also enjoys a high concentration of employment in the Leisure and Hospitality sector. This may indicate that developing amenities that are attractive to talented professionals and their families, students, and retirees hold potential for economic development in the area.

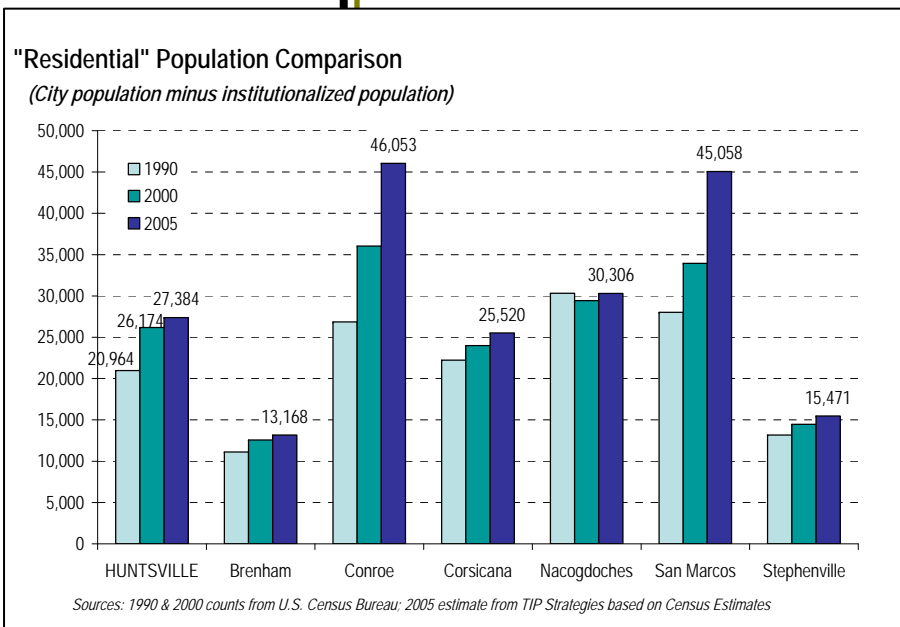
Finally, "traditional" industries should not be overlooked. Given Huntsville's location along Interstate 45 which connects Houston to Dallas, transportation and logistics opportunities may also be available. In addition, the large loss in manufacturing jobs may indicate the need for a more aggressive approach to business retention strategies.



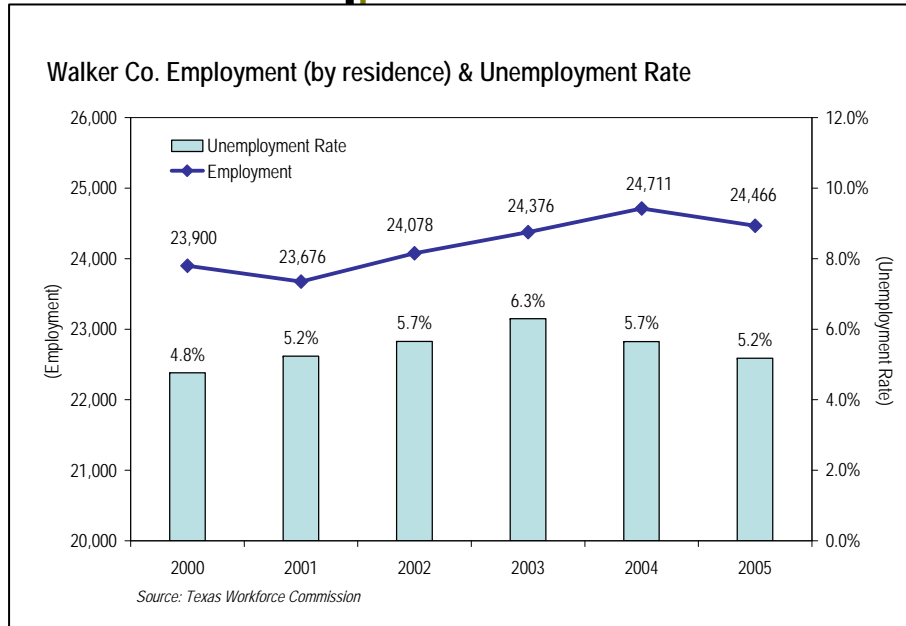


### Population trends >

- From 1970 to 2000, the overall population for Walker County more than tripled, rising from 27,680 to 61,758. The ten-year period from 1970 registered the fastest overall official growth rate in the county during the last half-century.
- These figures, however, should be considered carefully in that the Census counts prisoners as part of a community's population base. Subtracting the community's "institutionalized" population reveals a better picture of the number of persons who are actively engaged in Huntsville's economic and social life. In 2005, that number was estimated to be approximately 27,400 persons, a 31 percent rise over 1990. This growth rate was faster than all but Conroe and San Marcos, both of which were much closer to a large metropolitan area than Huntsville.

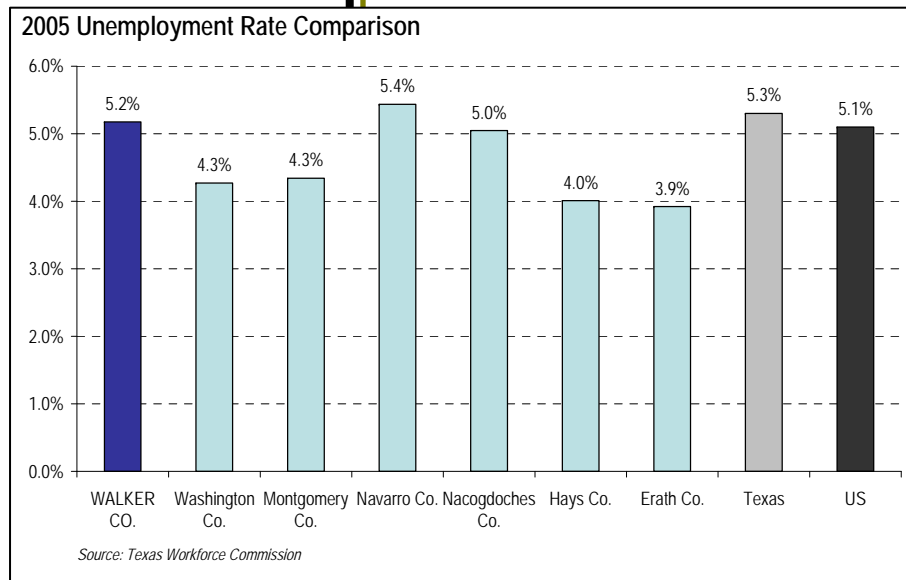






### Employment Trends >

- From 2000 to 2005, the number of employed persons living in Walker County increased by 566 persons, representing a 2.4 percent change. During the last year, employment in the county declined slightly.
- During the same period, Walker County's unemployment rate also increased slightly, but has fallen the past two consecutive years.
- A comparison of the area's unemployment rate to its regional rivals reveals that Walker County's 2005 rate was the second highest but still in line with the state and the nation.



**Major Employers >**

- A glance at the area’s major employers quickly reveals that Huntsville’s economy is strongly dependent on state and local government. For example, the community’s top three employers (1000+ workers) are TDCJ, SHSU, and the Huntsville ISD.
- Other major public sector employers include, Walker County, Educational Service Center Region VI, and the City of Huntsville.
- Huntsville Memorial Hospital is the community’s largest private sector employer, followed by Wal-Mart.

**MAJOR AREA EMPLOYERS**

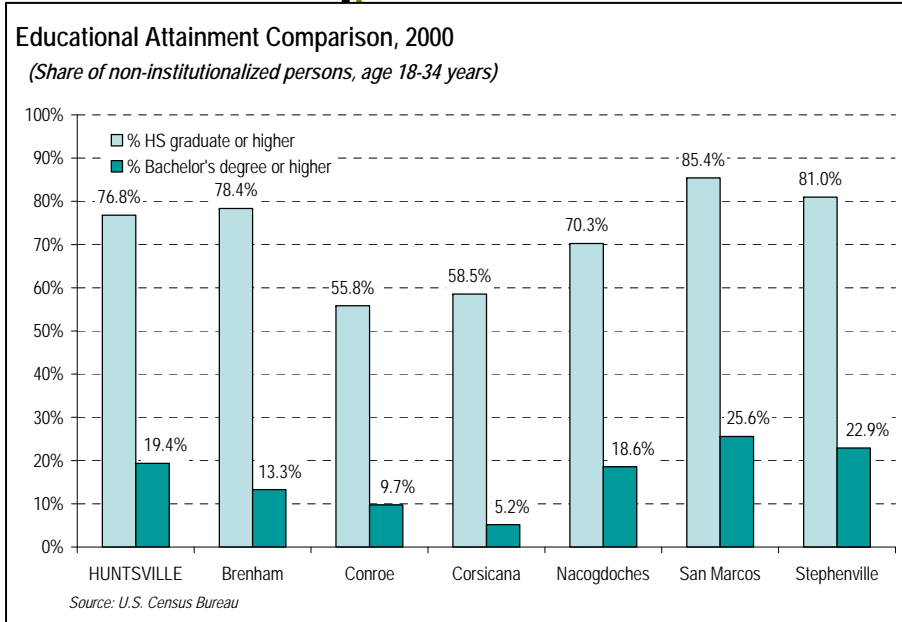
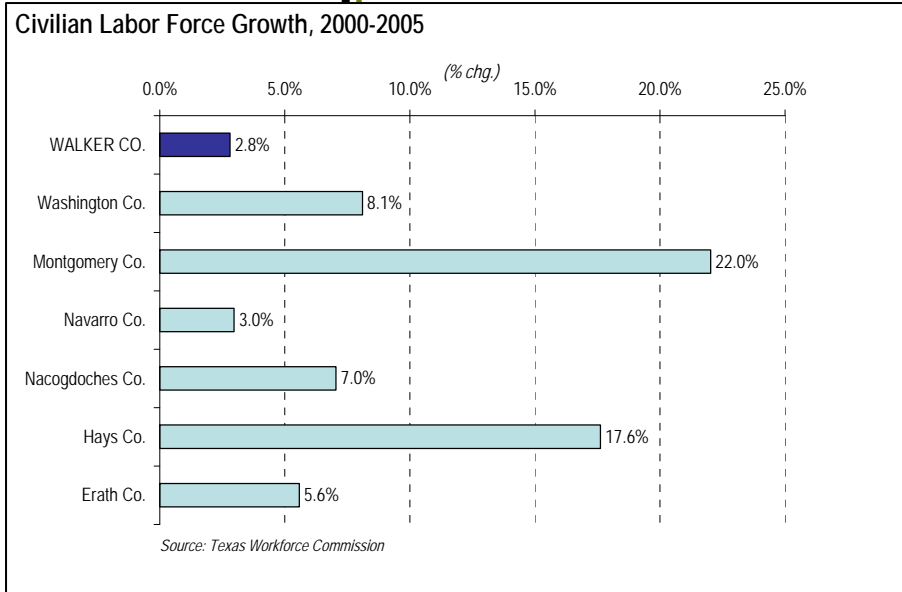
Organization	Employees
Texas Department of Criminal Justice	6,903
Sam Houston State University	2,256
Huntsville ISD	1,100
Huntsville Memorial Hospital	520
Wal-Mart	489
Walker County	335
Gulf Coast Trades Center	325
Educational Service Center Region VI	321
City of Huntsville	300
Weatherford Completion Services	125
Color Spot Nursery	116
M & M Designs	115
Gardner Glass Products	104

*Source: City of Huntsville Economic Development*



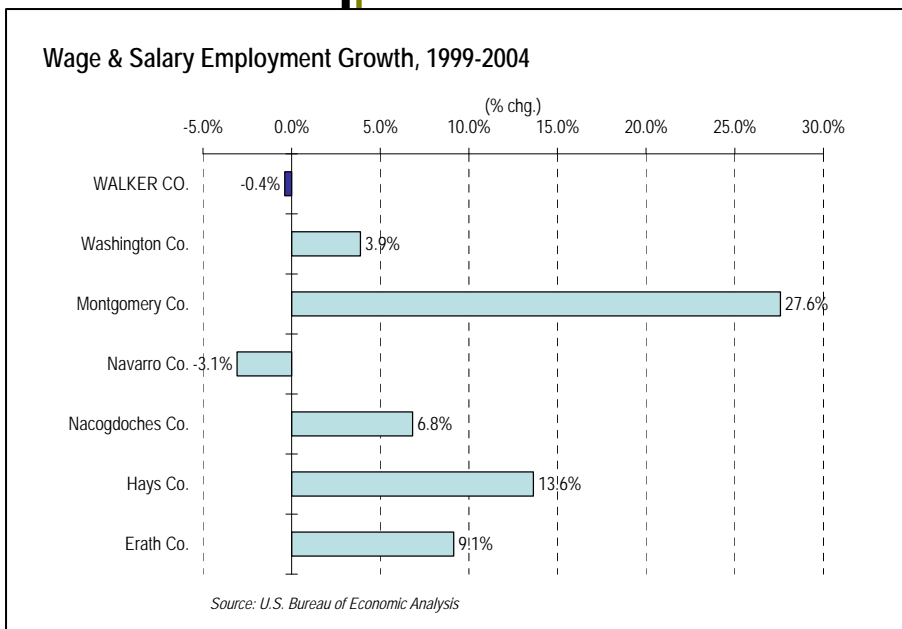
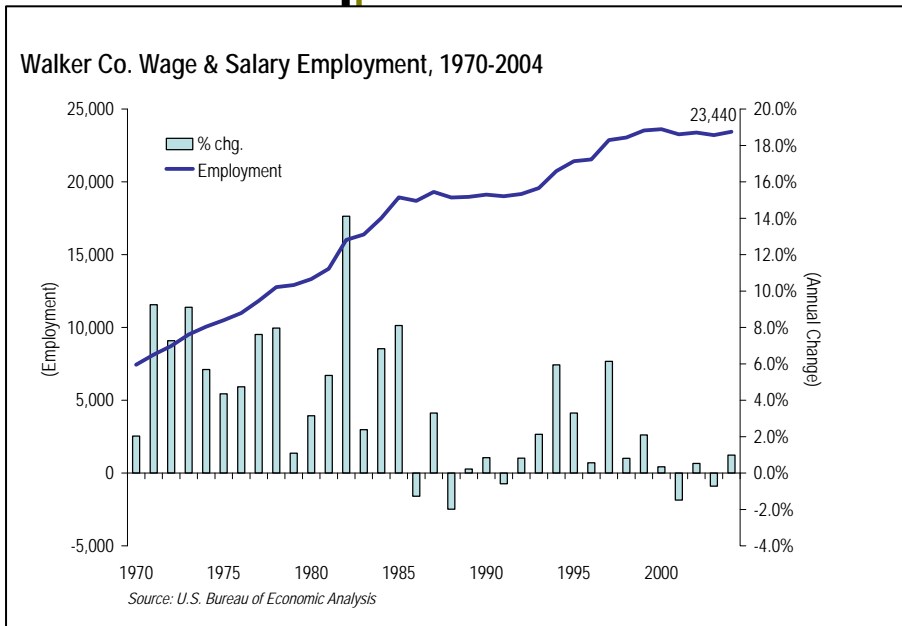
**Labor & Talent >**

- Walker County’s civilian labor grew 2.8 percent from 2000 to 2005. This represents the slowest growth rate among Huntsville’s regional rivals.
- Data from the latest Census reveals, however, that Huntsville enjoys a well educated young labor force. For example, 77 percent of residents age 18 to 34 years had earned at least a high school diploma in 2000.
- In addition, the share of the city’s young adults who had earned a bachelor’s degree or higher was nearly 20 percent. This percentage was lower than only San Marcos and Stephenville—other communities with state universities.



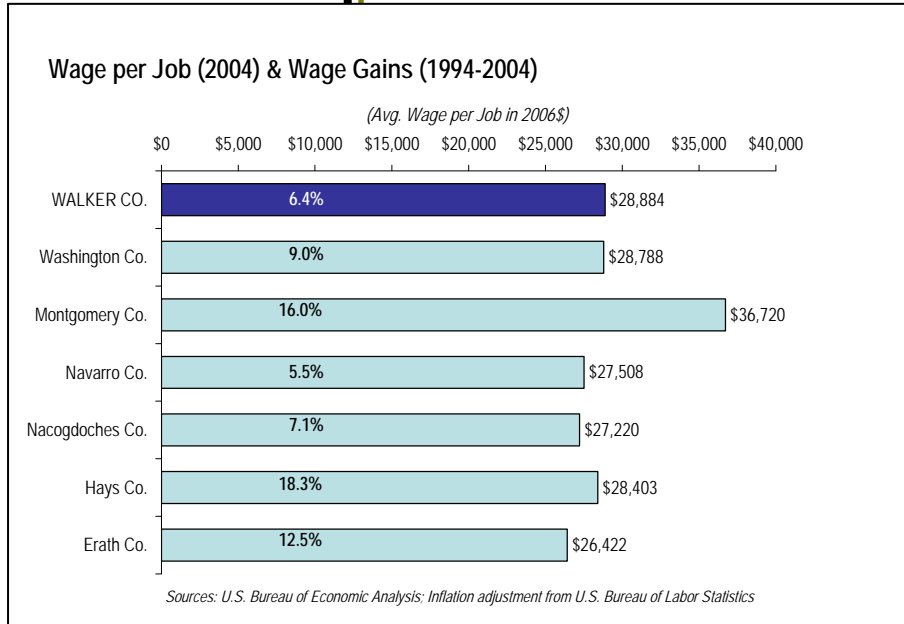
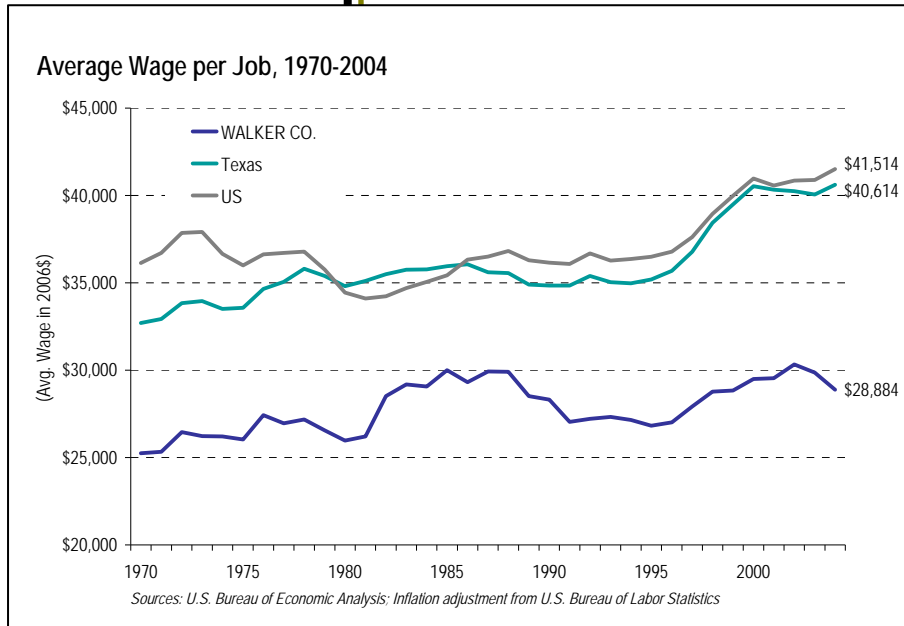
**Job Growth Trends >**

- Over the last 30 years, the number of jobs located in Walker County has increased substantially from approximately 7,400 in 1970 to 23,400 total wage and salary jobs in 2004. Walker County enjoyed its highest job growth rates over a prolonged period from the early 1970s through the mid-1980s. The latter half of that decade was characterized stagnating employment opportunities, while the mid-1990s represented a period of renewed job growth.
- From 1999 to 2004, however, the number of wage and salary jobs in Walker County declined slightly. By comparison, Montgomery County (Conroe) to the south enjoyed a near 28 percent increase in only four years. Navarro County (Corsicana) was the only other regional rival who also lost jobs during that period.



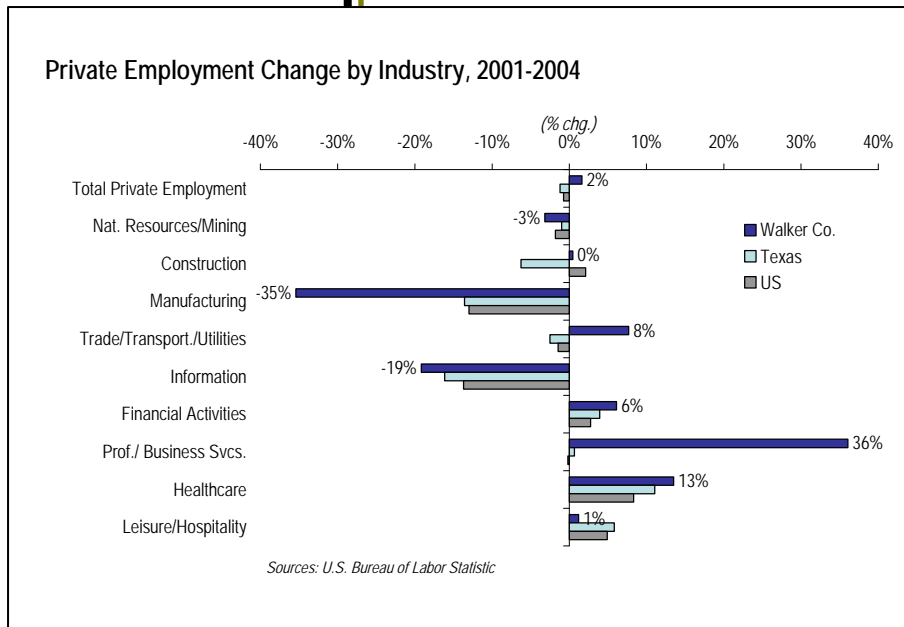
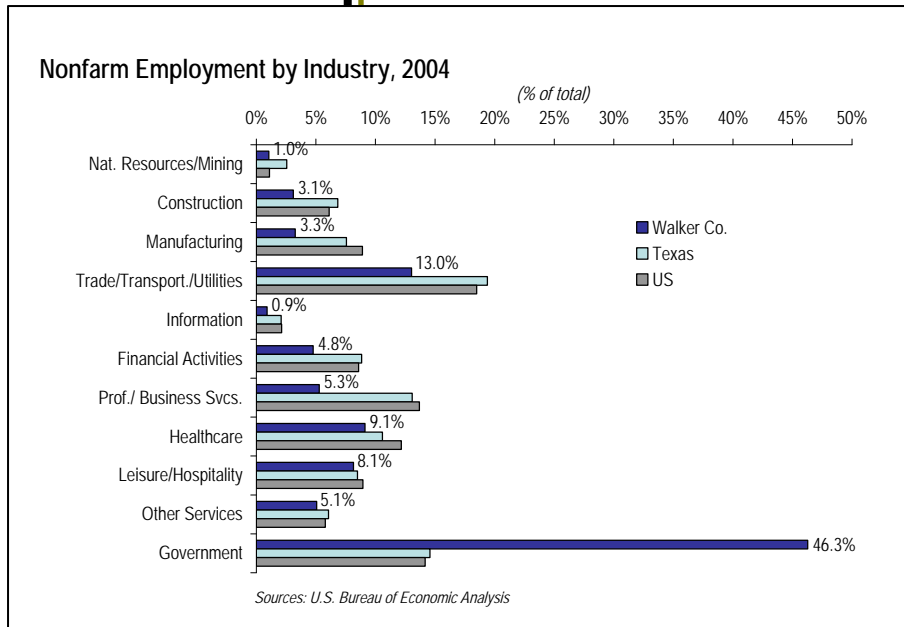
**Wage Trends >**

- When adjusted for inflation, the average wage per job located in Walker County increased 14 percent from approximately \$25,000 in 1970 to nearly \$29,000 in 2004. This wage gain was comparable to that of the nation as a whole during the same period. By comparison, the state's average wage increased 24 percent.
- The gap between the U.S. and Texas was largely closed by 1980. Since then, the state and national wage rates have remained closely synchronized.
- During the 10 year period from 1994 to 2004, Walker County's average wage increased 6.4 percent when adjusted for inflation. This was the second lowest percent increase among its peers. At the same time, job holders in Walker County still earned the second highest wages when compared to other comparison counties.



**Employment by Industry >**

- Nonfarm employment data reveals that an extremely high share (46 percent) of jobs located in Walker County is concentrated in the public sector. By comparison, approximately 14-15 percent of jobs nationally and statewide are in government. Due to this high share in a single sector, the percentage of jobs in all other industries is below that of the state.
- A glance at private employment trends in Walker County reveals that the local area fared well overall from 2001 to 2004 in comparison to the state and nation. For example, the total number of local private sector jobs increased two percent. Statewide, private employment decreased 1.2 percent.
- Much like the nation and the state, Walker County suffered its greatest percentage decreases in the Manufacturing and Information sectors during the last recession. Locally, however, private job growth was very strong in Professional and Business Services and Healthcare. Trade, Transportation and Utilities along with Financial Activities also enjoyed modest increases.



**UNDERSTANDING LQs**

A location quotient (LQ) is calculated as a local industry's share of total local employment divided by the same industry's share of employment at the national level:

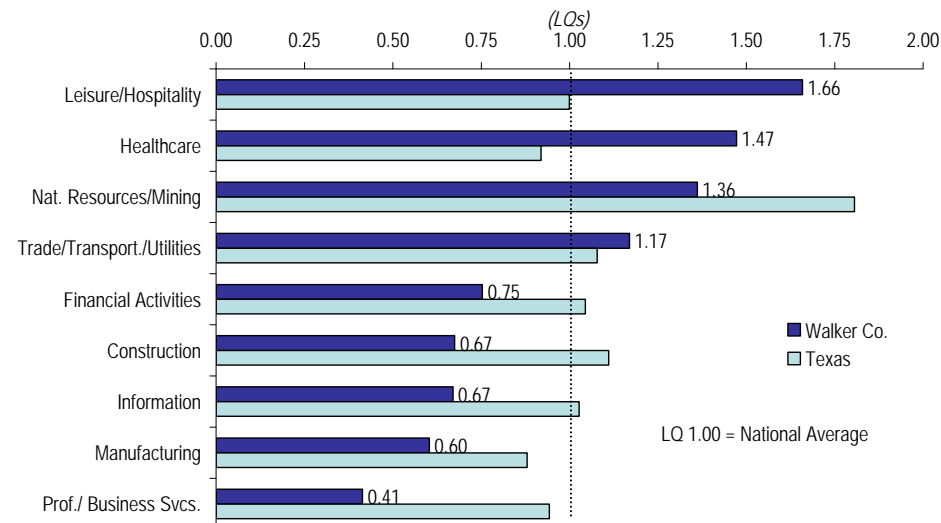
$$LQ = \frac{\text{Local jobs in industry} / \text{Total local jobs}}{\text{U.S. jobs in industry} / \text{Total U.S. jobs}}$$

If the local industry and national industry are perfectly proportional, the location quotient will be 1.00. If an industry is heavily concentrated at the local level (e.g., automotive industry in Detroit, technology in Silicon Valley, gambling in Las Vegas), then the location quotient will be higher than 1.00. Conversely, if the industry is sparsely concentrated at the local level (e.g., farming in New York City, convention tourism in North Dakota), the location quotient will be lower than 1.00.

**Location Quotients >**

- Despite its strong growth, location quotient (LQ) analysis reveals that Walker County has a very low concentration (LQ 0.47) of Professional and Business Service jobs. In other words, Walker County firms in this sector employ only 47 percent the number of persons as one would expect given national employment rates. Other low LQs in the county are in Manufacturing (0.60), Information (0.67), and Construction (0.67). Walker County, however, enjoys high LQs in Leisure and Hospitality (1.66), Healthcare (1.47), and Natural Resources and Mining (1.36).
- Depending on local factors, industries at either extreme may represent good target industry opportunities. For example, the fact that Walker County is under-represented in Professional and Business Services may mean that local business and residents must travel outside the area to receive services. If this is the case, this demonstrates that high local demand for a bundle of services is not currently being met in the economy. As a result, economic developers may consider strategies for increasing employment opportunities in this sector.
- Likewise, Leisure and Hospitality as well as Healthcare appear to be acting as export industries for Walker County. Their high LQs seem to indicate that Walker County receives a large number of visitors and patients from other areas. If this is the case, then local economic developers may consider strategies for sustaining or leveraging comparative advantages that are supporting these figures.

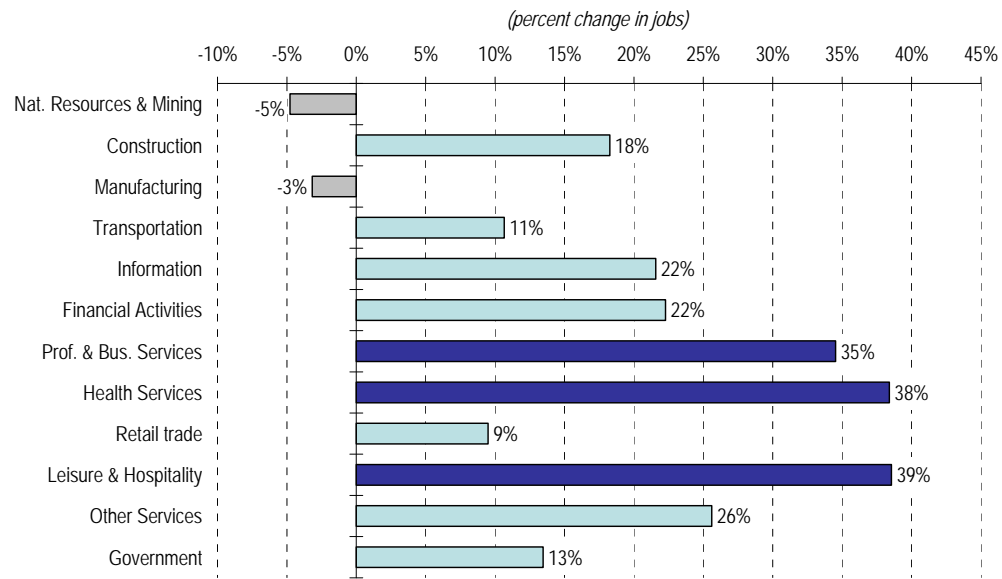
Location Quotients (select private industries), 2004



Sources: U.S. Bureau of Labor Statistic; LQ calculations by TIP Strategies, Inc.



### Texas Employment Forecast, 2006-2016



Source: Economy.com

### State Employment Forecast>

- Overall, statewide employment is expected to increase approximately 20 percent during the next ten years, according to Economy.com (a subsidiary of Moody's), a leading economic forecasting firm. This growth, however, is not expected to occur equally across all economic sectors.
- For example, two goods producing sectors (Natural Resources and Mining and Manufacturing) are expected to experience a decline in employment.
- On the other hand, three services providing sectors (Professional and Business Services, Health Services, and Leisure and Hospitality) are expected to enjoy growth at substantially higher rates than the state's overall economy.
- This employment shift is largely reflective of two major trends affecting the nation's economy as a whole. The first is the transformation of the US economy from an exporter of goods to an exporter of services. The second trend is the aging of the nation's population and the increased demand for healthcare for Baby Boomers. These overall economic trends should be closely considered in the selection of target industries for Huntsville.



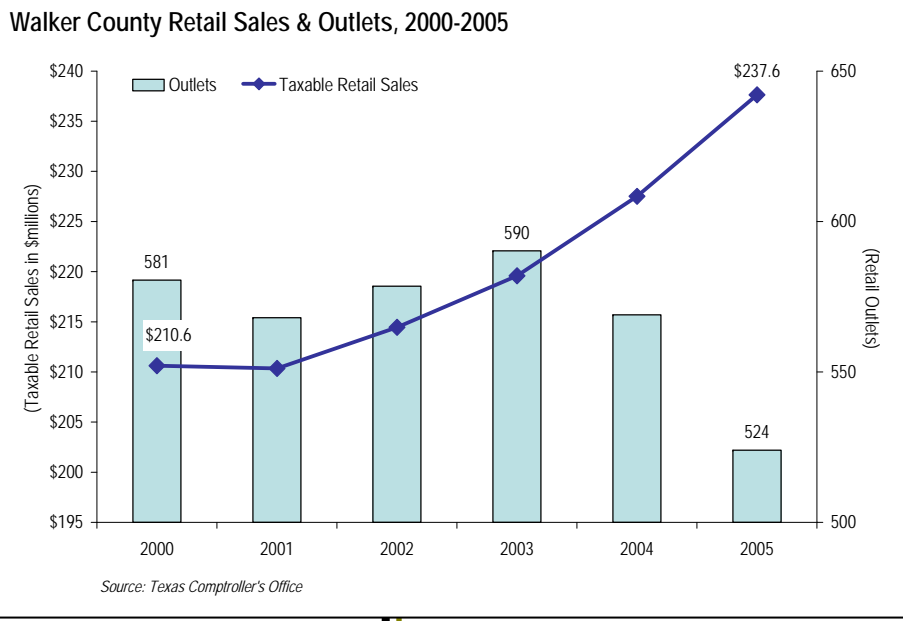


**Taxable retail sales >**

<b>PER CAPITA RETAIL SALES, 2000</b>			
	<b>Huntsville</b>	<b>Walker Co.</b>	<b>Texas</b>
Total Population, 2000	35,078	61,758	20,851,820
Institutionalized Population	8,904	14,305	374,704
<b>"Nonprisoner" Population</b>	<b>26,174</b>	<b>47,453</b>	<b>20,477,116</b>
Taxable Retail Sales, 2000	\$198,299,335	\$210,626,954	\$117,149,760,497
<b>Per capita (nonprisoner) sales</b>	<b>\$7,576</b>	<b>\$4,439</b>	<b>\$5,721</b>
If local sales were same as the state's per capita sales:	\$149,741,684	\$271,479,030	
<b>Taxable Retail Sales "Gap"</b>	<b>\$48,557,651</b>	<b>-\$60,852,076</b>	

Sources: US Census Bureau (population); Texas Comptroller's Office (retail sales)

- In 2000, the total amount of taxable retail sales that occurred in Walker County equaled approximately \$210 million. Huntsville's taxable sales figures accounted for 94 percent of the county's total. Clearly, Huntsville serves as the retail trade center for Walker County. (Refer to *the Retail Gap Analysis Snapshot performed by TheRetailCoach for the actual retail trade area*)
- While Huntsville enjoyed a relatively high per capita retail sales figure in comparison to the state, per capita sales for the county indicate that—as a whole—it is underserved in retail sales. In other words, the Huntsville retail trade area was experiencing a leakage of sales in 2000.



- If the state's per capita taxable retail sales were considered as an appropriate baseline, this would imply that the overall retail trade area suffered an approximately \$61 million in retail sales "leakage" in 2000.
- From 2000 to 2005, Walker County enjoyed a 13 percent increase in annual taxable retail sales. At the same time, however, the number of retail outlets in the county declined from an annual average of 581 in 2000 to 524 in 2005.



## goals & strategies

The following goals were formulated to specifically address the key economic challenges and opportunities in Huntsville, which were identified through an analysis of economic and demographic trends influencing the area, extensive community input, and the consultant’s expertise. Meeting these economic development goals will go far in repositioning Huntsville as a leading destination in the region, setting it on a course for long-term economic growth and vitality.

### Economic Development Goals >

1. Promote economic development opportunities presented by the presence of Sam Houston State University.
2. Leverage the presence of the Texas Department of Criminal Justice to expand economic development opportunities.
3. Transform downtown Huntsville into a “university village.”
4. Support the retention and expansion of existing businesses in Huntsville.
5. Increase the range of housing opportunities in Huntsville.
6. Promote the development of a business park to make Huntsville more competitive in the recruitment of new businesses.
7. Support and celebrate excellence in Huntsville’s K-12 schools.
8. Alter the image of Huntsville through an internal and external marketing campaign.

While each of these goals was chosen for its ability to leverage distinct opportunities in Huntsville, they were also intentionally chosen for their ability to support one another. In effect, some objectives that are placed under one goal could just as easily have been put under another due to their inherent overlap. The City of Huntsville and area economic development allies should, therefore, remain mindful that a lack of support for one of these goals may hinder progress in another. As a result, community leaders should recognize that policies supporting a strong business climate for promoting economic development cannot be implemented within a vacuum. Instead, policies and program activities should be considered within the overall context of the variety of factors that can influence long-term economic growth in Huntsville.

**Goal One > Promote economic development opportunities in Huntsville by leveraging the presence of Sam Houston State University and its enrollment growth.**

The importance of a higher education in positively influencing economic development cannot be understated. Not only must employers be assured of access to educated and skilled workers, but talented individuals are often drawn to places that offer access to higher education and related amenities. As a result, it is imperative that the City of Huntsville remains supportive of SHSU, especially in light of making Huntsville a more attractive option for new residents and employers. The City should continue to strive to strengthen partnerships with SHSU and leverage its ability to be the future economic driver for the community.

The potential for this is evident. Already, the university has enjoyed tremendous enrollment growth. SHSU's enrollment projections indicate that growth will continue. Three elements of the university's growth and presence should be leveraged for maximizing its impact on Huntsville's economic development: 1) the growth in the student body population, 2) the retention and attraction of talent with strong ties to the university, and 3) leveraging the university to foster entrepreneurship in Huntsville.

► STRATEGY ONE >> LEVERAGE SHSU TO ENCOURAGE ENTREPRENEURSHIP IN HUNTSVILLE.

Actions:

- Leveraging the institutional resources of SHSU—including innovation, knowledge, research, finances, and business and social networks—and matching those resources with opportunities and individuals in Huntsville should not be overlooked as an economic development opportunity. The presence of a growing university should be treated as a unique and primary asset for fostering a culture of entrepreneurship in Huntsville. As a result, it is critical for area economic development leaders to remain supportive of SHSU generated entrepreneurship. For example, strong support should be given to the new *Entrepreneurship Institute*—a joint partnership between SHSU and Montgomery College.
- Consider the establishment of a University/Business Alliance to explore options for leveraging faculty and institutional expertise to assist existing employers, startups, and entrepreneurs in Huntsville. The establishment of this alliance should be coordinated with the Entrepreneurship Institute and should be an umbrella organization that would be responsible for the following activities:
  - Act as an advocate for entrepreneurs by facilitating local government assistance and addressing issues and challenges.
  - Assist in the development of a coordinated, county-wide entrepreneurial program involving all area taxing entities and potential partners.
  - Spearhead the development of a revolving loan fund to provide small loans at near-market rates to qualified businesses.
  - Encourage local lenders to offer small business financing to aid area startups and strengthen the banks' Community Reinvestment Act (CRA) ratings.

goal one:  
SAM HOUSTON STATE

Support for target:  
**PROFESSIONAL &  
BUSINESS SERVICES**



- Meet regularly with current and potential entrepreneurs in Huntsville to better understand issues affecting their businesses.
- Work with local and regional media to ensure entrepreneurial success stories are published.
- Advertise in the *Houston Business Journal* Huntsville’s entrepreneurship programs to attract “lone eagles” (successful professionals who are leaving larger metropolitan regions and setting up business operations in smaller, slower-paced communities).
- Leverage existing state and federal programs that may offer business startup assistance at the university (Entrepreneurship Institute, SBDC etc.) and coordinate them with other programs and initiatives in Huntsville.

► STRATEGY TWO >> RETAIN SHSU GRADUATES AND ATTRACT ALUMNI.

Actions:

- Nurturing and attracting talent is one of the most fundamental issues in helping to create a business climate that that supports economic vitality. “Talent” implies more than the typical workforce development and training issue. The primary focus should be on ensuring an adequate supply of young and educated workers to 1) replenish the local labor market (as older workers retire) and 2) provide local employers with the skilled workers they need to remain competitive. The location of SHSU in Huntsville provides a built-in supply of talent. The key, however, is the ability to retain students once they graduate.
- Leverage job placement programs at SHSU to assist current students and recent graduates find local career options at local businesses in Huntsville. Consideration may also be given to visiting periodically with existing businesses in the area to explore the potential for local employment opportunities for students and graduates, as well as meeting with placement counselors at SHSU on a periodic basis to better understand the skill sets of students and graduates.
- Raise awareness of opportunities in Huntsville among SHSU’s alumni network. Economic development leaders should meet with alumni organizations to raise awareness of economic development and potential business opportunities in Huntsville. Consideration may be given to inserting information on opportunities in Huntsville in existing alumni newsletters to help market the community to former students, especially those who live in the greater Houston area. If possible, a database of former students should be built so that local economic developers can directly market to former students. In addition, it is recommended that more focused efforts be targeted on prominent former students (e.g., business leaders, artists, etc.) who might be able to make more substantial investments in Huntsville.



► STRATEGY THREE >> LEVERAGE SHSU STUDENT POPULATION GROWTH FOR ECONOMIC DEVELOPMENT IN HUNTSVILLE.

Actions:

- The City of Huntsville and area allies should continue to support enrollment growth at SHSU. Currently, the university is the fastest growing college in the state. Its enrollment will soon top 20,000 students, doubling enrollment from just a few years ago. The rise of SHSU as a major institution of higher learning in the state presents tremendous opportunities for the community, not only through tangible economic benefits (e.g., increased demand for retail, housing, services, etc.), but also intangible benefits related to repositioning Huntsville as a leading university center for this part of the state.
  - Supporting SHSU’s growth will require strengthening formal and informal lines of communication between local government and the university with a view to understanding any barriers to SHSU meeting its potential.
  - Consideration should be given to the establishment of a university affairs liaison as a single point of contact for the university.
  - One barrier to SHSU meeting its potential may be the image of Huntsville as a prison town. As a result, area economic development allies are strongly encouraged to undertake an external and internal image and marketing campaign to assist in altering negative perceptions of the community (*See Goal 8 for specific marketing recommendations*).
  
- Work to ensure that SHSU students are made to feel welcome in the community. In some ways, Huntsville is similar to other small college towns in that a degree of tension between students, who are often from outside the area, and local residents is inevitable. The concentration of multiple prison units in Huntsville, however, places the community in a unique situation. While the presence of multiple law enforcement agencies and public safety officials is not necessarily an anathema to students gaining the “college experience,” a recognition should be made within the community that student perceptions wield an impact on where they chose to live and how they relate to Huntsville. It should be made clear that the consulting team *does not recommend* local and state agencies no longer enforce the law in Huntsville. On the contrary, ensuring public welfare and safety are prerequisites for making Huntsville a desirable location for the pursuit of higher education. The consulting team does, however, recommend that the community should remain sensitive to perceptions and consider options for improving relations between SHSU students and law enforcement officials. This is crucial, because these officials are often the first line of communication between the student body and the community.
  - Consideration should be given to establishing a forum or series of meeting to open lines of communication between various law enforcement agencies (e.g., City of Huntsville Police Department, Walker County Sheriffs Office, SHSU Police Department, TDCJ, Texas Department of Public Safety) and the SHSU student body to allow for each side to present key issues and concerns.



goal one:  
SAM HOUSTON STATE

- Renewing the focus on the availability of parking on and around the university campus would be one tangible means for improving the relations between law enforcement and students and mitigating perceptions. City and university officials should convene a meeting, and potentially create a task force, to consider options to alleviate parking issues that will continue to worsen as SHSU's enrollment increases. Decisions regarding parking improvements, however, should not be made within a vacuum. On the contrary, a comprehensive approach that encompasses increasing both transportation and land use around the university area should be undertaken. For example, consideration should be given to increasing public transportation for students living in off-campus housing, especially in those areas that are not within walking distance. In addition, consideration should be given to increasing student housing options closer to the campus (See **Goal 5, Strategy 3** for specific student housing recommendations).



goal two:  
TDCJ

**Goal Two > Leverage the presence of TDCJ to expand economic development opportunities in Huntsville.**

TDCJ’s local presence (the state’s prison system headquarters) is without a doubt one of the key economic drivers for the Huntsville area. Employing over 6,900 workers locally, TDCJ’s impact on the area’s economy cannot be overstated. The City of Huntsville should count itself fortunate to enjoy such an important asset that does not suffer from the ups and downs of economic cycles. As a result, community leaders should continue to strengthen communication between local government and TDCJ to ensure that the City of Huntsville meets the agency’s needs.

TDCJ purchases a wide range of services and supplies locally, regionally, and nationally. This purchasing power represents an opportunity for economic development in Huntsville. Procurement rules and processes govern TDCJ’s purchasing practices (e.g., capacity to provide offsite backup for data). While these procedures limit the supplies that can be procured locally, there are several actions that the City could undertake to assist local businesses in enhancing their ability to fully benefit from TDCJ’s buying power.

In recent years, the Texas General Land Office has increased its efforts to sell excess or under-utilized state-owned properties as a means to increase revenues as well as diversifying local property tax bases. From a development perspective, TDCJ is currently in possession of a number of prime real estate development sites in and around Huntsville, including the Walls Unit in downtown, as well as properties along I-45 at both the northern and southern gateways to the community (e.g. Holliday and Goree Units). Public safety, however, should remain the highest priority in any potential land use decisions.

► STRATEGY ONE >> LEVERAGE THE PURCHASING POWER OF TDCJ TO SUPPORT THE EXPANSION OF EXISTING BUSINESSES AND ATTRACT NEW BUSINESSES TO THE COMMUNITY.

Actions:

- Establish a "Source Local" team made up of TDCJ officials (executive level) and local business officials (chamber, existing supplier, SHSU, city staff) to be responsible for the implementation of this strategy.
- Identify and catalog existing local suppliers to TDCJ.
- Identify and evaluate supplier categories to determine which represent the best prospects for both existing companies and new business attraction.
- Establish a networking structure for existing and potential suppliers (potentially use existing chamber networking capacity).
- Host an annual “Source Local” TDCJ workshop and business expo and invite local and regional suppliers/prospective suppliers.
- Market directly to regional and statewide suppliers to expand their operations to the Huntsville area.



- STRATEGY TWO >> ASSIST TDCJ IN RECRUITING WORKERS BY ENCOURAGING THE EXPANSION OF ATTAINABLE HOUSING IN HUNTSVILLE.

Actions:

- TDCJ officials have stated their difficulty in attracting new workers to the area due to a shortage of attainable housing options in the community. Many of TDCJ's existing employs must commute to Huntsville from outside the area in Conroe and other outlying towns in more rural areas. As a result, the City should work to encourage the development of new housing options and other amenities (e.g., retail, entertainment, etc.) in Huntsville to help TDCJ meet its labor needs (See **Goal 5** for specific attainable housing recommendations).
  - The City of Huntsville should establishment a TDCJ affairs liaison position as a single point of contact to facilitate communication and coordinate joint initiatives.

- STRATEGY THREE >> ASSIST TDCJ IN REVIEWING AND EVALUATING THE USE OF ITS PROPERTIES IN HUNTSVILLE.

Actions:

- The City and local allies should assist TDCJ in the review of its properties in Huntsville to evaluate whether specific development opportunities are present. (See **Goal 3**).
  - Convene a meeting with local TDCJ officials to raise awareness of the economic and revenue generating potential for developing certain strategic sites.
  - Consideration should be given to various entities (e.g., City, university, private owners) swapping properties with TDCJ as a means for facilitating the development of strategic sites.

goal two:  
TDCJ





**Goal Three > Transform downtown Huntsville into a “university village.”**

Sam Houston State University is, without a doubt, the Huntsville’s primary asset in fostering an identity as a community with a strong sense of place that offers a bounty of cultural and entertainment options. For example, SHSU enjoys a heralded College of Arts and Sciences with several strong programs in art, dance, music, photography, and theatre. In essence, the university is the source for a tremendous influx of talented young artists who—if fully leveraged—have the capacity to transform the look and feel of Huntsville while also presenting opportunities for cultural “exports” that might create a marketing buzz for the community.

Despite offering the potential to be the place for culture and entertainment, downtown Huntsville remains largely untouched by the university’s presence—despite its close proximity. In other words, Huntsville is lacking in an overall “college town feel,” which is a detractor to the community developing a positive regional identity.

While the addition of cultural and entertainment amenities will go far in helping to revitalize the area, the need for more traditional employment options in downtown will persist. This is partly due to the fact that Huntsville is the seat for Walker County which creates demand for services near the courthouse. The potential in downtown Huntsville, however, is greater. The concentration of young educated adults attending classes at SHSU could supply the talent needs of small professional and business service firms located within walking distance of the campus. In addition, their presence might also serve as a catalyst for entrepreneurial activity—whether through the establishment of retail boutiques or software startups. The “urban” feel of downtown Huntsville presents an ideal climate for garnering interest from creative young workers.

The greatest barrier to establishing downtown Huntsville as a “university village” is related, unfortunately, to one of the community’s greatest economic strengths: TDCJ. The location of the historic Walls Unit adjacent in close proximity to both downtown and SHSU campus offers an ever-present reminder that Huntsville is home to perhaps the largest concentration of incarcerated persons in the state. Additionally, the simultaneous release of multiple prisoners at the downtown bus station is said to cause a climate of insecurity on the streets of downtown Huntsville.

► STRATEGY ONE >> SUPPORT THE ESTABLISHMENT OF AN ENTERTAINMENT AND CULTURAL DISTRICT IN DOWNTOWN HUNTSVILLE.

Actions:

- Meet with downtown property and business owners, students, and area residents to build support for the establishment of an entertainment and cultural district in downtown Huntsville to create a more vibrant “college town” feel in the area. The proposed district would also provide new entertainment options that are not currently taking place in Huntsville. This is an important consideration given that a number of students leave the community to pursue nightlife opportunities in other cities. This causes the leakage of sales tax dollars to leave the community while also contributing to late-night traffic dangers on area highways.

Support for target:  
**RETAIL  
ENTERTAINMENT &  
LEISURE**

goal three:  
**DOWNTOWN**



goal three:  
DOWNTOWN

- The boundaries of the entertainment district should be established and designated with special zoning status, if necessary. Specific consideration should be given to portions of the downtown that are closest to or immediately adjacent to the SHSU campus. Guidelines for its location should include minimizing its impact on residential areas while creating a stronger linkage between the campus area and Huntsville's downtown.
- Leverage SHSU arts programs to encourage cultural and entertainment activities in downtown. Community leaders should jointly promote cultural and entertainment events occurring on campus. At the same time, university students and the local arts community should be encouraged to hold collaborative art shows and theatrical productions as means for bringing the university's artistic talent off campus.
- Develop a conceptual site plan for the entertainment district as a means for promoting the idea to potential developers—both regional and national. Assistance in developing this vision for the entertainment district should be sought among the SHSU student body, who will likely be the primary customers of the district. Include this conceptual site plan in marketing materials for Huntsville to generate regional “buzz” about the community.
  - Potential activities within the district might include nightclubs, live music venues, theatrical performance spaces, art galleries, among other uses.
- The City of Huntsville should improve infrastructure connecting downtown, the entertainment district, and the campus to make it more pedestrian and bicycle friendly. Strong consideration should be given to:
  - Expanding and completing sidewalks in between downtown and the university.
  - Improving lighting in the entertainment district to promote a more secure nighttime atmosphere.
  - Establishing bicycle lanes.
  - Improving signage indicating connections between the campus, downtown, and the entertainment district.
  - Locating benches and other street furniture for pedestrians.



Support for target:  
**PROFESSIONAL &  
BUSINESS SERVICES**

goal three:  
**DOWNTOWN**

- STRATEGY TWO >> ESTABLISH THE DOWNTOWN AREA AS A DESTINATION FOR PROFESSIONAL AND BUSINESS SERVICES ACTIVITIES, INCLUDING ENTREPRENEURIAL STARTUPS, TO LEVERAGE ITS PROXIMITY TO SHSU STUDENTS.

Actions:

- Work with downtown property owners and the Main Street program to develop an inventory of space suitable for small offices.
  - Consider supporting an update of zoning, ordinances, and building codes to reduce regulation barriers for preservation, restoration, rehabilitation, adaptive reuse and of older structures in downtown Huntsville.
  - Consider offering assistance by investigating mechanisms and funding sources to help attract investment in the downtown Huntsville.
  - Raise awareness of downtown among potential entrepreneurs who would benefit from a location near the campus with access to SHSU's student population, as either customers or labor. In addition, certain types of startups (e.g., architecture and design related, software development, etc.) are well known for their tendencies to seek more "urban" business settings in live-work and/or loft spaces.
- STRATEGY THREE >> ENCOURAGE TDCJ TO EVALUATE ITS PRESENCE IN THE DOWNTOWN AREA.

Actions:

- The City should open a dialogue with TDCJ to explore alternatives to the current method for releasing prisoners in downtown Huntsville.



goal four:  
EXISTING BUSINESS

**Goal Four > Support the retention and expansion of existing businesses in Huntsville.**

Building awareness of the needs that existing employers have, and developing policies and mechanisms to support local business and industry, is a must. Local companies are, by far, the largest and most reliable source for creating new jobs. As a result, it is critical that the City of Huntsville and area partners understand how local issues affect the competitiveness of area employers.

- STRATEGY ONE >> STRENGTHEN DIALOGUE BETWEEN THE CITY OF HUNTSVILLE AND AREA EMPLOYERS TO BETTER UNDERSTAND THEIR BUSINESSES AND THEIR NEEDS.

Actions:

- Place periodic calls with existing businesses in Huntsville to better understand the challenges facing local businesses and potentially uncover opportunities for business expansions and to help them be aware of available technical and financial assistance programs.
- Build and maintain an inventory of existing businesses to have a clear understanding of the types of businesses already in Huntsville and to keep tabs on new locations and expansions. Much of this information may already be collected by the Huntsville-Walker County Chamber of Commerce. Consider using this information as a means to highlight the types of business activities occurring in Huntsville in economic development marketing materials.

- STRATEGY TWO >> ENSURE THAT LOCAL BUSINESSES ARE AWARE OF AVAILABLE COMMUNITY RESOURCES.

Actions:

- Finding quality workers is often the number one challenge facing small businesses. As a result, area economic development leaders should consider facilitating regular workforce conferences to ensure that training programs, including existing, available customized training, continue to match industry needs in Huntsville. In addition, area leaders will garner a greater understanding of the community's workforce related strengths, which could lead to more effective marketing to potential economic development recruitments from outside the area.
- Support efforts by the Huntsville-Walker County Chamber of Commerce to promote local businesses through its existing efforts.



goal four:  
EXISTING BUSINESS

- STRATEGY THREE >> ESTABLISH A FORMAL INCENTIVES POLICY THAT RECOGNIZES THE VALUE OF EXISTING BUSINESSES IN HUNTSVILLE.

Actions:

- The City should work with area taxing jurisdictions to develop a formal incentives policy for the community. Formal incentives policies should be carefully crafted in a transparent manner to ensure that they yield a net benefit to area taxpayers. The following principals should be considered when establishing a policy: 1) the targeted investment would not occur without the incentive and 2) the investment should generate new economic activity in the area instead of displacing existing businesses. When creating an incentives deal for a particular prospect, the following are recommended: 1) a statement demonstrating how the proposed incentive relates to the broader economic development strategies, 2) a formal cost/benefit estimate weighing the estimated direct/indirect benefits (e.g., tax base enhancement, increase in retail sales, increase in wage rates, etc.) to the incentive costs (e.g., tax abatements, training subsidies, infrastructure improvements, etc.) associated with a particular deal, and 3) a “clawback” agreement that guarantees the recovery of incentives funds if the firm makes fewer hires or investment expenditures than promised.



goal five:  
HOUSING

**Goal Five > Increase the range of housing opportunities in Huntsville.**

Planning for future housing in a community is quickly becoming a necessary component of any economic development plan. Housing costs are the single largest expenditure for most US residents. According to the Consumer Expenditure Survey prepared by the Bureau of Labor Statistics, U.S. Department of Labor in April 2006, housing costs have ranged between 32.1 and 32.9 percent of the average annual expenditures for households between 2001 and 2004. For most homeowners their home is their most valuable asset and largest investment. Appreciation in home value continues to be the major source of wealth in the United States, and nearly 60% of the net worth of the typical homeowner is equity in the home.

The location of housing and the type of housing are crucial to a community's economic health. If attainable housing is located outside the urban core, transportation networks are often over burdened and travel time to employment increases. In the case of a student population, parking near the university is burdened when students are forced to drive to class since housing is not located within walking distance. The location of student housing is also important when considering where student entertainment is located. If students are enjoying restaurants and bars downtown and then driving home, the chance for alcohol related accidents are increased.

- STRATEGY ONE >> SUPPORT THE DEVELOPMENT OF ATTAINABLE HOUSING TO ENSURE THAT AREA EMPLOYEES CAN LIVE INSIDE THE COMMUNITY.

Actions:

- Inventory the existing housing stock, as well as the residence and pay scales of the major employers, to determine if Huntsville offers housing at price points that the average worker can afford.
- Evaluate and expand on the programs and services that the City of Huntsville provides for housing assistance. This includes assistance to individuals such as down-payment assistance and weatherization programs as well as assistance to organizations.
- Support local development that is targeted to area employees. Some local governments are partnering with developers to provide attainable workforce housing. Most will create a nonprofit entity that serves as the master developer and can qualify for federal grant funding. The City often donates or greatly reduces the cost of land as the city contribution.
- Create an *Attainable Housing Task Force* to keep up with the issues, educate the public and research ways to address this ongoing problem.



Support for target:  
**RETAIL  
 ENTERTAINMENT &  
 LEISURE**

goal five:  
**HOUSING**

► STRATEGY TWO >> PROMOTE THE DEVELOPMENT OF HIGHER END HOUSING IN THE HUNTSVILLE AREA.

Actions:

- Huntsville should plan for housing at higher price points as well. The community has a shortage of housing for those with higher incomes that needs to be addressed. There is an economic benefit to keeping and attracting higher income residents within the community. As home values increase, property tax revenues increase. Those with higher incomes also have more disposable income and create demand for additional retail sales. In the case of retirees, volunteerism within the community may also increase.
- Encourage developers to build higher-end subdivisions. This could include plots for custom homes as well as spec home development.
- Make sure that there is a variety in the type of higher end housing. Particularly as the Baby Boomers retire and are looking for a variety of housing products including single family homes, townhomes, active adult communities, condominiums, and rental units.

► STRATEGY THREE >> ENSURE THAT FUTURE STUDENT HOUSING DEVELOPMENTS ARE CLOSER TO THE CAMPUS AREA.

Actions:

- Most of the student housing in Huntsville has developed south and east of the University. These locations are not ideal for SHSU students, who are forced drive to the campus area or downtown. This may deter students from spending money at downtown businesses which depend on student dollars. Even with downtown housing at a premium in most university towns, the benefit and necessity of urban density is becoming more prevalent. Developers can build more units per square foot which offsets higher land costs. Many student housing developments are incorporating retail, community services and eating/drinking establishments within their developments.
- Increase student housing near campus to stimulate economic activity in the downtown area. This will likely assist with transportation issues associated with SHSU being located near the center of the city.
- Assist TDCJ in considering potential mixed-use development options on TDCJ-owned sites adjacent to the Walls Unit. Due to its current use, housing in the near term may be controversial, but commercial development would be appropriate. Sites within the area, such as the rodeo grounds, appear ripe for conversion and may act as a means for buffering the area. If commercial, retail, and restaurant uses become successful, then the stigma may fade and over the long-term and housing development would become more appropriate.
- Encourage higher density, student housing developments that incorporate commercial activities.
- Encourage condominium student housing. Student housing is often an investment vehicle for Baby Boomer parents who have seen their communities grow and housing values escalate. The housing near the campus would most likely increase in value as the community grows.



goal six:  
BUSINESS PARK

**Goal Six > Promote the development of a business park to make Huntsville more competitive in the recruitment of new businesses.**

Huntsville finds itself in the fortunate position of being “in the path of growth” of Houston. This apparent advantage should, however, be carefully monitored and managed—to the extent possible—as rapid current growth may lead to a future shortage of good business sites, especially along I-45. But this is only part of the problem. Huntsville has few existing fully served industrial sites to make it attractive to new recruitment prospects. In order to manage growth along the I-45 corridor and maximize its potential to diversify the economy and increase its tax base, providing these critical real estate products would prove to be an efficient use of public resources.

Special consideration should be given to TDCJ-owned properties that are adjacent to I-45, due to their strategic location, visibility, and access to the freeway. The City would be well served to open a dialogue with TDCJ to ascertain the feasibility, and desirability, of entering into a public-public partnership with the agency to promote development on these sites -45. One example might include the establishment of both the City and TDCJ cohabitating a facility. In addition, the City may also assist TDCJ in evaluating the prospect of entering into a public-private partnership for the development of key parcels.

- STRATEGY ONE >> COMMENCE THE LONG-TERM PROCESS OF DEVELOPING A BUSINESS PARK TO ASSIST IN RECRUITING NEW INDUSTRIES TO HUNTSVILLE.

Actions:

- Consider the creation of a *Business Park Task Force* to study the development a new business park in Huntsville.
- Meet with appropriate parties (e.g., community and business leaders, land owners, developers, etc.) to establish buy-in for the importance of establishing a new business park in Huntsville.
- Identify and prioritize sites in Huntsville that would be suitable for the development of a business park (evaluate visibility and infrastructure availability at each sites, including electricity, water/wastewater, road, and telecommunications).
  - Special consideration should be given to opening a dialogue with TDCJ to evaluate the re-use of agency-owned land with direct access to I-45.
- Gain control of or acquire preferred site.
- Incorporate and highlight priority sites in marketing materials to generate interest from private business park developers, especially those located in the greater Houston area, as well as Dallas-Fort Worth.
- Commence pre-planning and engineering work to prepare for its eventual development.





goal seven:  
K-12 SCHOOLS

**Goal Seven > Support and celebrate excellence in Huntsville’s K-12 schools.**

Schools are a critical component to successful economic development at the local level. Employers need to be assured of access to trainable workers. At the same time, professionals—along with rank-and-file blue collar workers—all insist on an excellent education for their children. In addition, homebuyers, as well as the development community, recognize that their investments are strongly affected by the quality of local schools. If a local schools falter or local property taxes are perceived as being out of line with expectations, the value of the investment—whether commercial or personal property—can be diminished. As a result, it is imperative that the community as a whole remains supportive of Huntsville ISD as well as local private schools and continues to leverage these valuable resources as a means for providing a positive image of Huntsville.

- STRATEGY ONE >> JOINTLY MARKET HUNTSVILLE’S K-12 EDUCATIONAL ASSETS BOTH INTERNALLY AND EXTERNALLY.  
Specific tasks:
  - Meet with Huntsville ISD and private school officials to assist in the establishment of a marketing message that complements both the City’s and Chamber’s marketing themes.
  - Consider providing assistance in the creation of marketing materials for Huntsville ISD.
  - Promote Huntsville ISD and the community’s private schools as part of Huntsville’s overall economic development marketing efforts to both residents and businesses considering a location in the greater Houston area.
  
- STRATEGY TWO >> ENHANCE AND EXPAND PARTNERSHIPS BETWEEN HUNTSVILLE ISD AND HIGHER EDUCATION AND WORKFORCE TRAINING ASSETS.  
Specific tasks:
  - Explore the potential for creating scholarships—with support from both the public and private sectors—to local students who choose to pursue higher education at institutions serving Huntsville.
    - Consider paying particular attention to academic tracks that would support both target industries (see the *Target Industries* section below) and existing businesses.
  - Explore opportunities for expanding existing college coursework credit programs in Huntsville High School through cooperation SHSU.
  - Consider the establishment an internship/apprenticeship program to aid in the transfer of vocational students to entry-level positions among existing industrial employers in Huntsville and/or targeted industries (See the *Target Industries* section below).
  
- STRATEGY THREE >> ADVOCATE FOR ADEQUATE FUNDING OF HUNTSVILLE ISD.  
Specific tasks:
  - Consider acting as a liaison between Huntsville ISD and the business/industrial community to assist in communicating the goals and needs of the district to serve the area’s student population.
  - Support Huntsville ISD facility expansions and enhancements, including current and future bond packages, to ensure that the district continues to make strides toward excellence.



**Goal Eight > Alter the image of Huntsville through an internal and external marketing campaign.**

As with all successful marketing, it is critical to identify target audiences and to focus efforts on them. The primary target audiences for Huntsville should be 1) Local and regional business leaders who can influence business location and other investment decisions, 2) Key allies, such as state and regional economic development organizations, 3) Members of the region’s various media, and 4) Decision-makers at companies within the target industries.

The most important target audience for Huntsville should be the people and businesses who are already invested (either financially or emotionally) in the community. They are also the ones who represent Huntsville on a daily basis in their business and personal interactions—both regionally and nationally. A sustained internal marketing campaign should be undertaken to generate and promote a positive image of Huntsville. Making sure that existing residents and local business leaders have a positive image of the community is critical to the success of any external campaign as these are the people who can best tell the Huntsville story to the outside world.

Huntsville must set itself apart from the competition throughout the region. The most effective marketing strategies are those that promote specific initiatives and opportunities. In other words, the various target audiences must be swayed by the message that their interests can be maximized by investing social and economic capital in Huntsville. Specific initiatives or projects that should be most closely considered for highlighting in marketing materials include: redevelopment opportunities in and around the downtown area (i.e., proposed entertainment district, redevelopment of TDCJ properties in the downtown area, etc.); the new Entrepreneurship Institute; TDCJ properties along I-45, and housing development opportunities.

► STRATEGY ONE >> BUILD CONSENSUS FOR A PRIMARY THEME/MESSAGE TO MARKET HUNTSVILLE.

Actions:

- Convene a focus group of area entities (e.g., City of Huntsville, Huntsville-Walker County Chamber of Commerce, Sam Houston State University Huntsville ISD, private schools, etc) to discuss the development of a coordinated marketing message/theme for Huntsville.
  - Special consideration should be given to the **SAM HOUSTON BRAND**. Huntsville is fortunate in that it can lay claim to such an iconic historical figure in the state. Understanding what Sam Houston stood for as an individual is a critical aspect in understanding his brand. He was a maverick politician who stood for—above all things—**INDEPENDENCE**. We recommend that any marketing message for Huntsville should incorporate independence as a theme. Not only does this resonate with Sam Houston, the historical figure, but it also reflects the spirit of Huntsville’s residents, who are strongly independent. The theme of independence would also directly offset Huntsville’s greatest marketing weakness—the external perception of Huntsville being only a prison town. A theme that incorporates independence would also support marketing the community to potential entrepreneurs, as well as students. Both these groups, by nature, are seeking independence in their lives.



goal eight:  
MARKETING

- Once a marketing theme has been established, conduct a local awareness campaign for economic development to increase public support for economic development. The theme should then be incorporated into economic development marketing materials and websites. These materials should also incorporate specific opportunities Huntsville is trying to promote such as its target industries (*See the **Target Industries** section of this plan for specific information*), development opportunities (e.g. entertainment district, housing, TDCJ properties and sites, etc.), and unique attributes (e.g., SHSU, Downtown Huntsville, Sam Houston National Forest, etc.).
- STRATEGY TWO >> BUILD AWARENESS OF OPPORTUNITIES AMONG HUNTSVILLE’S RESIDENTS AND LEADERSHIP.
  - Actions:
    - Changing the perception that local leaders and residents have regarding the potential for new business development in Huntsville will be critical to the success of this marketing effort. Local public and private sector leaders have the greatest impact on how Huntsville is viewed from the outside. For example, professors, students, and business leaders often travel to outside the region. These individuals can serve as Huntsville’s best, or worst, marketing channel. If area residents (including students) understand Huntsville’s assets and are speaking positively about local opportunities, this will have a greater impact on the community’s economic prospects than any external marketing campaign. In other words, Huntsville’s initial marketing campaign should start close to home.
    - Leverage existing leadership programs as a vehicle for communicating economic development goals. Consideration should be given to:
      - Creating a brief profile promoting Huntsville’s positive aspects to be used by area residents and leaders.
      - Developing targeted networking opportunities (e.g. evening and weekend functions) for professionals living and working in the area
      - Establishing a *Young Professionals* group to serve as a source for identifying potential emerging community and business leaders
      - Investigating other ways for identifying current and future leaders within the community who represent various groups (e.g. professional, student, minority, etc.).
      - Identifying area residents (including SHSU faculty and students) most likely to influence decision makers who might impact the local economy. Economic development leaders should meet regularly with these *Ambassadors* keeping them up to date on current initiatives, progress, and honing Huntsville’s marketing message.



goal eight:  
MARKETING

► STRATEGY THREE >> BUILD AWARENESS OF HUNTSVILLE, FOCUSING ON THE GREATER HOUSTON AREA AND TEXAS.

Actions:

- The City, Chamber, and area allies should focus efforts on enhancing the Huntsville’s external image in Houston and throughout Texas, including Dallas-Ft. Worth and Austin. In addition, consideration should be given to selective marketing in Texas’ larger metropolitan areas. Assets such as downtown Huntsville, SHSU, TDCJ property and sites redevelopment, and other distinct opportunities should be promoted through a combination of partner advertising, public relations, and networking.
- Implement a public relations campaign targeted at regional publications, (e.g., *Houston Business Journal*, *Houston Chronicle*, *Dallas Business Journal*, etc.) sending press releases about recent business successes. The initial press release should be to promote the success of the economic development plan and how local leadership worked together to determine the best opportunities for Huntsville.
- Joint marketing activities should be sought out to increase the magnitude of the marketing message. Specific consideration should be given to jointly marketing the community with SHSU. Other examples include regional economic development organizations (e.g., the Greater Houston Partnership), state agencies, and area utilities.
- Identify other parties that could refer leads for Huntsville and set up a visitation schedule with a focus on Houston, Dallas-Ft. Worth, and Austin. Examples include local and regional construction firms, real estate brokers, banks, and service firms (legal and accounting), regional industry associations, and area universities and colleges.

► STRATEGY FOUR >> BUILD AWARENESS OF HUNTSVILLE AMONG DECISION-MAKERS IN TARGET INDUSTRIES.

Actions:

- Once materials have been developed for Huntsville, a direct marketing campaign can be initiated. Specific recommendations include: producing one-page marketing summaries for each target industry (*See the **Target Industries** section of this plan for a listing of target industries*), creating a database of target companies, conducting a direct marketing campaign (direct mail and phone calls followed by visitation), and participation in key industry trade events.



# target industries

## Methodology >

The selection of target industries is traditionally bound to an assessment of only a few determinant factors, such as access to an available workforce, industrial sites, and incentives. The following target industry recommendations are not based solely on these factors, but also on the interviews conducted by the consulting team within the community to better understand potential opportunities and challenges that might not be identified from these secondary data sources. Finally, the consulting team brings to bear its understanding of broader socioeconomic trends such as consumption patterns/consumer spending, emerging markets/international trade, and demographic shifts/aging workforce. Strong consideration was also given to how targets might fit within the overall strategic framework of the plan and how they might affect Huntsville’s ability to attract talent to the area. In sum, target industries for Huntsville were identified through the use of a three-pronged approach: **quantitative**, **qualitative**, and **strategic**.

## Site considerations >

Site location factors can be subdivided into three broad and basic functional categories:



**LABOR**

Specific characteristics, including regional talent/labor (i.e., availability, wage rates, and level of qualifications) and access to educational infrastructure (i.e., higher education and workforce development programs) play an important role in site selection.

**ECONOMY**

Economic considerations, including access to markets (local, regional, and global), suppliers and customers, public policies (e.g. incentives, taxation, regulations etc.), and availability of capital (investment, venture) strongly affect these site location decisions.

**ACCESSIBILITY**

Factors, such as availability of land, raw materials, utilities, visibility/prestige, and access to transportation (such as the proximity to highways and airports) also have an important effect on a site's suitability.

**Recommendations >**

The consulting teams recommends Huntsville pursue the target industries listed below, because they the best opportunities for **business retention**, **expansion**, and **attraction** activities in the area. These industries are selected for their ability to serve a dual purpose: 1) to bolster and diversify the area's economy over the short-term by taking advantage of existing assets and 2) to provide a pathway to sustained economic growth over the long-term.

TARGETS	SELECTION MATRIX			SCORE
	LABOR	ECONOMY	ACCESSIBILITY	
INTEGRATED BUILDING SYSTEMS	+	+	+	+++
LOGISTICS & DISTRIBUTION	+	+	+	+++
RETAIL, ENTERTAINMENT, & LEISURE	+	+	+	+++
PROFESSIONAL & BUSINESS SERVICES	+	=	+	++

**KEY:**

- + local competitive advantage
- = no local competitive advantage



### Traditional Targets >

Traditional targets represent the types of industrial sectors that have historically been marketed to by economic development organizations. These typically include traditional manufacturing industries and related industrial and/or transportation activities. Traditional targets often represent the first tier of economic opportunity. This is due to the fact that an area already has in place many of the necessary components (e.g. economic base, workforce, infrastructure, etc.) to begin effective targeting and marketing efforts. This is not to say, however, that Huntsville already has all the pieces in place to for each industry. In some cases, longer, more sustained efforts may be required to successfully attract investment from them.

The following two targets were determined to represent the best (both long- and short-term) traditional industrial opportunities:

- **INTEGRATED BUILDING SYSTEMS**
- **LOGISTICS & DISTRIBUTION**

### Non-Traditional Targets >

Non-traditional targets include economic sectors and other development opportunities that are well-suited to Huntsville but are not typically targeted by local economic development organizations. While these sectors pose unique challenges for traditional economic development marketing efforts, they should not be ignored. Due to larger trends (i.e., demographic shifts, technology, and globalization), economic development can no longer simply be a competition for the recruitment of industrial employers. Instead, the future of a community also lies in its ability to identify emerging opportunities in the growing services sector, which is often strongly tied to the community's ability to retain and attract talented professionals and their families.

The following two targets were determined to represent the best (both long- and short-term) non-traditional sectors:

- **RETAIL, ENTERTAINMENT, & LEISURE**
- **PROFESSIONAL & BUSINESS SERVICES (including entrepreneurs)**



## Integrated Building Systems >

### INDUSTRY TRENDS

In the coming decade, the traditional piece-by-piece construction of new homes and other buildings will no longer be the norm. The construction industry is on the verge of a revolution fueled by the integration of new materials, information technology, design, and modular assembly. Builders and contractors are learning to use these tools to generate greater efficiencies and effectiveness in climate-controlling, weatherproofing, security systems, and time and cost required for construction. Increasingly, homes are being constructed through the use of integrated and intelligent building systems, a technique that combines advanced machinery and prefabrication in order to construct buildings in less time and at less cost.

According to the Building Systems Councils (BSC) of the National Association of Home Builders, nearly 50,000 modular homes were constructed in the US during 2004, representing a 50 percent production increase in just ten years. The increased cost of housing, especially in fast-growing states, and more modern home designs has been largely attributed to recent increases in production and desirability. In this type of housing, the building blocks or individual modules are components constructed in a controlled factory environment and are nearly complete when shipped from the factory to the home site.

Information technology and modern design is also playing a strong role in this trend, according to the Continental Automated Buildings Association. On the upper end of the real estate market, an increasing number of “smart homes” are being offered to consumers. Smart homes include integrated systems that take advantage of technological advances such as the convergence of information technology, communications networking, and new materials to make homes more energy-efficient, secure, and weatherproof.

### SITE SELECTION CRITERIA

- Proximity to population growth centers (i.e. demand for housing)
- Industrial sites with access to transportation (e.g., rail served sites and interstate access)
- Availability of industrial land
- Availability of industrial and warehouse/distribution space
- Availability of semi-skilled production labor, as well as white-collar professionals and design technicians

#### **DEFINITION**

The integrated building systems sector includes firms that design, manufacture, and market pre-engineered buildings. Activities include the research and development of materials and systems, manufacture of building components, and final assembly of complete systems. Building systems also includes concrete, modular, and panelized products. In addition, integrated building systems tend to use a greater degree of information technology in the design and operation of new homes and commercial buildings.





**NICHE OPPORTUNITIES**

- Modular or prefab buildings design and assembly
- Structural and materials testing
- Security systems

See Goal 6:  
**NEW BUSINESS PARK**

**Integrated Building Systems (cont'd) >**

RATIONALE

- Strategic location on I-45 between two of the largest and fastest growing urban centers (i.e., Houston, Dallas-Ft. Worth) in the Sunbelt.
- Strong demand for housing and construction materials due to effects of recent hurricanes along the nearby Gulf Coast.
- Continued demand is forecast for newer materials and technologies to be used in construction.
- Availability of raw materials (e.g., timber/lumber), other traditional construction materials (e.g., steel, fabricated metals), as well as advanced materials (e.g., polymers and composites) from the greater Houston region.
- Abundance of semi-skilled and skilled production labor throughout the region.

STRATEGIC CONSIDERATIONS

- Lack of modern business park and available industrial space in Huntsville could deter investment from most manufacturing sectors.
- SHSU research and academic programs (e.g., Industrial Technology, Computer Science, etc.) that could potentially support this emerging sector could be critical in Huntsville attracting interest and investment.

**Related NAICS codes**

NAICS	Description
236117	Modular housing, residential, assembled on site by operative builders
238990	All other specialty trade contractors
3212-	Veneer, plywood, and engineered wood product manufacturing
321991	Manufactured home (mobile home) manufacturing
324122	Asphalt shingle and coating materials manufacturing
332311	Prefabricated metal building and component manufacturing
541310	Architectural services
541340	Drafting services
541380	Industrial, mechanical, and metallurgical testing laboratories or services
541420	Industrial design services
541511	Custom computer programming services
541512	CAD (computer-aided design) systems integration design services
541710	Engineering research and development laboratories or services
561621	Security systems services



**DEFINITION**

Logistics and distribution includes establishments engaged in the transport, storage, and distribution of goods, as well as affiliated services such as logistics and supply-chain management. Establishments include those involved in railroad and highway freight, marine shipping, and air cargo, as well as warehousing and storage and other fixed facilities and services.

The Council of Supply Chain Management Professionals (formerly the Council of Logistics Management) defines logistics as “the process of planning, implementing, and controlling the efficient, effective flow and storage of raw materials, in-process inventory, finished goods, services and related information from the point of origin to the point of consumption for the purposes of conforming to customer requirements.”

**Logistics & Distribution >**

INDUSTRY TRENDS

During the last decade, Sunbelt states have emerged as the new industrial Heartland as an increasing share of the nation’s manufacturing and logistics activity has shifted southward. Part of this shift is due to the mass migration from cooler Northern climates to the South. NAFTA and an exponential increase in trade between the US and Mexico has been the other catalyst for this shift. Evidence of this can be seen by increased shipments and traffic along southern interstates and rail lines and at southern sea and airports.

While changes in the domestic economy are forcing logistics and distribution service providers to relocate to the South, shifts that are more fundamental are occurring within the industry. Increased global trade, containerization, just-in-time inventory management, and technology are driving these changes. The primary goal for transportation and logistics companies is to increase efficiencies through the standardization of packaging and the increased use of technology. Also, firms are beginning to geographically cluster their activities, spurring a new trend in the development of multi-modal logistics parks. Another major trend is the increased outsourcing of services by manufacturers to maintain low inventories in-house, prompting the proliferation of third-party logistics providers.

Standardized packages and containers allow for inter-modal shipments of cargo. Goods can remain in the same container whether towed on a truck, stacked on a railcar, or placed on a ship. In addition, tracking cargo electronically permits time-specific delivery. Since the beginning of the 1990s, manufacturers have increasingly depended on just-in-time inventory management, stimulating the use of scheduled freight contracts in the U.S. trucking industry. These factors have also played a strong role in recent logistics merger and acquisition activity, as cargo carriers seek to improve efficiencies and cut costs through inter-modal partnerships.

SITE SELECTION CRITERIA

- Proximity to major population centers and consumer markets.
- Access to manufacturers.
- Quality of regional transportation network, especially interstate and rail.
- Availability of large tracts of affordable industrial land with access to multimodal transportation infrastructure.
- Availability of warehouse and distribution space.
- Availability of semi-skilled labor.



**NICHE OPPORTUNITIES**

- Trucking & warehousing
- Retail distribution
- Logistics/supply chain management

See Goal 6:  
**NEW BUSINESS  
PARK**

**Logistics & Distribution (cont'd) >**

RATIONALE

- Strategic location on I-45 between two of the largest and fastest growing urban centers (i.e., Houston, Dallas-Ft. Worth) in the Sunbelt.
- Access to nearby Union Pacific rail lines.
- Access to manufacturers and major retailers throughout East and Southeast Texas.
- Southern shift of nation’s manufacturing base.
- Availability of workforce from the surrounding rural areas.

STRATEGIC CONSIDERATIONS

- Lack of modern business park and available warehouse space in Huntsville.
- Area leaders should remain mindful that an increase in truck traffic tends to stress local roadways. As a result, logistics and distribution facilities should be placed as closely as possible to highways and interstates and away from residential developments and downtown Huntsville.
- The future development of I-69 in nearby San Jacinto County to the east may also serve to establish logistics and distribution facilities within the wider region. The City should give consideration to working with partners (e.g., Walker County, TxDOT, etc.) to improve roadway access to east over the long-term.

**Related NAICS codes**

NAICS	Description
484110	General freight trucking, local
484121	General freight trucking, long-distance, truckload
484220	Specialized freight (except used goods) trucking, local
484230	Specialized freight (except used goods) trucking, long-distance
488510	Freight transportation arrangement
493110	General warehousing and storage
493120	Refrigerated warehousing and storage
541614	Process, physical distribution, and logistics consulting services



**DEFINITION**

The retail trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

Leisure includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

**Retail, Entertainment, & Leisure >**

**INDUSTRY TRENDS**

The retail trade and leisure sectors have been among the leading national job creators during the last several years, driven by increased consumer spending and population growth, especially in locations with natural and/or man-made amenities. While these industries are not known for offering high wage jobs, they remain important to local government for their contributions to sales.

In addition, retail and leisure are increasingly being viewed as amenities that a community can not do without. When searching for a new home, potential residents (both singles and families) strongly take the available shopping in an area into consideration. As a result, employers—who are interested in retaining and recruiting workers—have come to realize the importance of retail and leisure amenities.

Retail and leisure amenities also strongly influence the attraction of visitors and, eventually, retirees. Increasingly, communities are coming to realize the potential for linking these two groups. Over time, a tourist who frequently visits a place begins to adopt a notion of brand loyalty for that community or destination which can, in turn, strongly influence retirement location decisions. Today’s retirees are much more affluent than past generations and are more likely to increase consumer spending in the area, especially increasing demand for the region’s health care economy. The leading edge of baby-boomers is set to retire in the coming years, but analysts expect the nature of their retirement to be distinctly advantageous as they are anticipated to be more active community participants and more likely to start up new business enterprises.

**SITE SELECTION CRITERIA**

- Access to population/consumers
- Quality of regional transportation network, especially interstate and airport
- Retail sites with high visibility
- Diversity of retail base
- Access to natural (e.g., lakes, national parks etc. ) and cultural amenities (e.g., fine arts, performing arts, historical attractions)
- Concentration of hotels and restaurants
- External image of the region



**NICHE OPPORTUNITIES**

- Cultural and entertainment amenities attractive to SHSU students.
- Baby boomer retirees
- Specialty retail boutiques in downtown Huntsville
- Big box and other destination retail along I-45 corridor.
- Outdoor recreation, including golfing, fishing, hunting, biking/jogging, etc.

See Goal 3, Strategy 1:  
**ENTERTAINMENT & CULTURAL DISTRICT**

See Goal 5:  
**INCREASED LOCAL HOUSING**

**Retail, Entertainment, & Leisure (cont'd) >**

RATIONALE

- Solidify existing status as retail trade center for Walker County and surrounding rural counties.
- Strengthen downtown Huntsville’s status as a destination for entertainment and make it more attractive to SHSU students and faculty.
- Ability to assist in attracting talent to target industries (especially Professional & Business Services).
- Increase Huntsville’s attractiveness to families, tourists, and retirees.
- Assist in altering negative images (both external **and** internal) of Huntsville.
- Activities increase local tax base through both property and sales taxes.

STRATEGIC CONSIDERATIONS

- Continue to support the redevelopment and revitalization activities in downtown Huntsville, including the establishment of an entertainment district.
- Continue to support the Arts in Huntsville, especially as it relates to SHSU.
- Continue to promote Ravens Nest Golf Club as a recreational amenity.
- Continue to promote the University Hotel.
- Target potential tourists and retirees from Dallas/Fort Worth and Houston, especially former SHSU students.
- Consideration should be given to marketing available sites along I-45, especially near the southern gateway, to developers of destination and/or “big box” retail centers.
- See the attached **Retail GAP Analysis Snapshot** for more information regarding potential retail targets.

**Related NAICS codes**

NAICS	Description
441110	New Car Dealers
4431-	Electronics and Appliance Stores
4441-	Building Material and Supplies Dealers
445-	Food and Beverage Stores
452-	General Merchandise Stores
7111-	Performing Arts
711510	Independent Artists, Writers, and Performers
721110	Hotels
722110	Full-Service Restaurants
722410	Nightclubs and Live Music Venues



**DEFINITION**

Professional and business services sector includes those firms that provide support services to a variety of companies. The industry sector includes both professional services, such as legal, accounting, and marketing, as well as more basic support services, such as document reproduction and data processing. It also includes technical services, such as research and testing, engineering, and specialized design services. Many establishments within this sector are small startup enterprises.

**Professional & Business Services >**

INDUSTRY TRENDS

Professional and business services, as an industry, has been one of the primary generators of employment growth and economic vitality for the last 20 years in America and is expected to remain a critical driver for the foreseeable future. While overall manufacturing employment in the US has remained stagnant since the early 1970s, services employment has tripled. In other words, America has transitioned from an economy based on producing goods to one that provides services. In fact, business and professional services has emerged as the backbone of the modern American economy. This very broad sector includes a great number of activities, such as advertising and marketing, consulting, management services, technical and scientific research and design, and financial, insurance, and real estate services. One reason that business and professional services has emerged as such a powerful creator of new jobs is the increasing role of entrepreneurship.

With the exception of technical services, which typically follow a specific, specialized customer base, business and professional services is broadly driven largely by three primary factors: proximity to customers, access to an educated workforce, and quality of life considerations. By and large, these assets are found in abundance primarily in larger metropolitan regions.

In addition, the presence of a well-developed business and data services sector is critical to the growth in software and other information technology enterprises. The presence of a strong local software and IT sector has become critical as their use comprises an increasing share of the value of all products and services. This trend will likely only be compounded in the future as technological advances continue to revolutionize both “high tech” and traditional industries alike.

SITE SELECTION CRITERIA

- Access to educated talent
- Availability of Class A office space, tech/flex space, and research and technology parks
- High visibility or “prestige” development sites
- Transportation, especially interstate and scheduled air service
- Proximity to customers
- Broadband internet connectivity
- Quality of place



**Professional & Business Services (cont'd) >**

RATIONALE

- Potential for continued growth and local economic diversification, especially among upper wage professional positions.
- Continued loss of manufacturing jobs means that much of US employment growth will occur in the services sector.
- Business services represent the majority of high wage service occupations.
- Increased use of technology throughout all sectors will ramp up demand for software and IT support services.
- Trends toward the increased outsourcing of non-core functions will mean continued growth in this sector.
- Assist in retaining entrepreneurial talent from SHSU.
- Assist in changing the perception of Huntsville from a rural one to a first-class business center at Houston's northern gateway.

STRATEGIC CONSIDERATIONS

- Outsider perceptions of Huntsville as a prison town could serve as a barrier to interest.
- The current lack of available Class A office space in Huntsville will make it difficult to attract serious interest from larger corporate facilities.
- This broad sector cannot be marketed to with traditional economic development practices.
- Downtown Huntsville and SHSU, however, are tremendous assets that should be a focus for marketing the community, especially to small office users and startups.
- SHSU's new Entrepreneurship Institute should also be heavily marketed and leveraged.

**Related NAICS codes**

NAICS	Description
516110	Internet Publishing and Broadcasting
518210	Data Processing, Hosting, and Related Services
541310	Architectural Services
541330	Engineering Services
541340	Drafting Services
541511	Custom Computer Programming Services
541380	Testing Laboratories
541420	Industrial Design Services
541430	Graphic Design Services
541511	Custom Computer Programming Services
561110	Office Administrative Services

**NICHE OPPORTUNITIES**

- Software and IT services
- Architectural, engineering, and drafting services
- Testing laboratories
- Industrial and graphic design
- Entrepreneurship

See Goal 1, Strategy 1:  
**ENTREPRENEURSHIP**

See Goal 3, Strategy 2:  
**DOWNTOWN AS  
BUSINESS SITE**

See Goal 8, Strategy 3:  
**DEVELOPMENT  
OPPORTUNITIES  
MARKETING**

