

STRATEGIC PLAN

BAY AREA HOUSTON ECONOMIC PARTNERSHIP

2012 — 2016



***“Proven Leadership
in Regional
Economic Development”***

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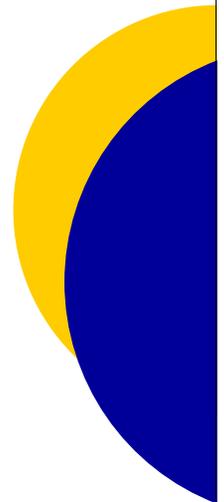
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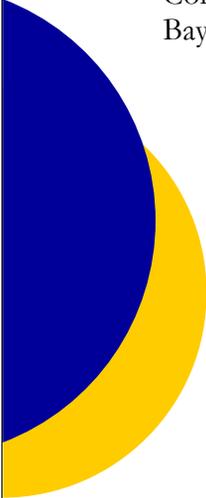
STRATEGIC PLAN BAY AREA HOUSTON ECONOMIC PARTNERSHIP 2012 – 2016

“Proven Leadership in Regional Economic Development”

Introduction

Bay Area Houston Economic Partnership’s (BAHEP) five-year strategic plan for 2012-2016 presents a framework for regional economic development. BAHEP is member-driven, with members who are the key senior leaders in business, education, and local government across the region, which roughly extends from the Houston Ship Channel area to the Pearland regional area and from Houston’s Gulfgate area to Galveston. Therefore, any strategic plan will necessarily focus on regional collaboration and regional actions that lead to prosperity and a high quality of life for the almost two million people who live and work in the area.

Background



Continuing the pattern of past decades, the region’s economic foundation continues to change. Bay Area Houston’s two traditional industry clusters, aerospace and specialty chemicals, complement the Greater Houston Area’s clusters of information technology, engineering, and oil and gas. Importantly, three additional industry clusters have joined the traditional two in Bay Area Houston. Specifically, the healthcare industry has been added, thanks to rapid growth and expansion of facilities and supporting organizations across the region. A second cluster is the maritime industry, a broadly defined collection of companies and agencies that assure the region’s ports function effectively, consistent with the Port of Houston being America’s largest port in foreign tonnage and the sixth-largest port in the world, according to the City of Houston. The third additional cluster is the recreation, ecotourism and tourism industry, led by popular community destinations such as Space Center Houston and cultural attractions. The region also boasts the nation’s third largest number of recreational boating centers as well as a concentration of amateur sports, outdoor activities, beaches and parks.

Like the rest of the nation, Bay Area Houston is emerging from a recession and from funding challenges affecting federal, state, and local governments. The result of the shifting business landscape is an expectation that the region will continue to grow, but it will change in many ways – from people to politics, from economic trends to educational trends, and from business models to governance models.

Strategic planning has long been a part of BAHEP’s tradition, beginning in 1983, when the organization, then called Clear Lake Area Economic Development Foundation (CLAEDF), held its first strategic planning workshop. In 2001, CLAEDF adopted its first five-year strategic plan for 2002–2006, a regional planning effort that involved hundreds of people and shaped the course for the organization. Similarly, the 2007–2011 plan engaged hundreds of people, ranging from government to business to private citizens. The 2012-2016 Strategic Plan has captured the insights of well over 300 individuals, representing BAHEP’s constituencies and a wide variety of data sources, with added input through personal interviews and online surveys.

Changes in the 2012-2016 Strategic Plan

The 2012-2016 Strategic Plan reflects an understanding of BAHEP's unique regional role, its leadership responsibilities, its members' expectations, and the realities of the shifting conditions that business and government face. BAHEP's approach is notable for its optimism, its commitment to the region's businesses and citizens, its can-do spirit, and an unshakeable integrity upon which every constituent can rely.

The 2012-2016 Strategic Plan is similar to the previous plans in three fundamental ways:

- a. BAHEP's economic development mission remains the same – so the values and strategic directions are similar;
- b. BAHEP's membership is structurally the same – businesses and local governmental agencies – so the services and expectations are basically the same; and
- c. The membership continues to expect that BAHEP will assist in economic and business development problem solving and advocacy.

Significantly, the 2012-2016 Strategic Plan differs from previous plans in a number of areas. First and foremost, BAHEP is different. BAHEP has evolved into the regional leader in economic development, recognized for its ability to address issues and promote business as well as being trusted to create alliances. In addition, the times are much different, and the plan reflects BAHEP's adjustments to meet the challenges of the end of the NASA Shuttle era and the rise of additional industry clusters; more local government members, each with specific economic development issues; dramatically changing demographics; greater expectations for an array of BAHEP services and engagement; increased involvement in long-term, large scale economic development initiatives; a markedly different advocacy agenda; and an economic environment influenced by a massive recession, business uncertainties, and slow recovery.



BAY AREA HOUSTON ECONOMIC PARTNERSHIP MISSION STATEMENT

Bay Area Houston Economic Partnership (BAHEP) provides the leadership to stimulate regional economic development and employment.

CORE VALUES

BAHEP is committed to:

- Regional collaboration and cooperation.
- Responsible leadership for regional economic development, resulting in strong employment and a superb, affordable quality of life.
- Integrity, fiscal responsibility, trusted services, and sound management.

STRATEGIC DIRECTIONS

To address the opportunities and challenges in the coming years, BAHEP members and allies have agreed that five broad strategies are necessary:

- BAHEP will continue to promote Bay Area Houston's regional, coordinated approach to economic development.
- BAHEP will continue to pursue economic development opportunities: to recruit, retain, expand and create businesses and jobs that are compatible with the core cluster industries, while also building new industry clusters.
- BAHEP will continue to demonstrate exceptional regional leadership in advocating for the interests of the region and the members, including advocacy and other political support for regional economic interests, innovative partnerships, and collaborations.
- BAHEP will continue to provide trusted services and data that members need and that are relevant.
- BAHEP will continue to lead the region through anticipation, innovation, quality, integrity, and communication.



BAHEP maintains close ties with elected officials and business leaders on the local, state and national levels.

BAY AREA HOUSTON ECONOMIC PARTNERSHIP STRATEGIC PLAN 2012 – 2016

“Proven Leadership in Regional Economic Development”

1. Business Development – Leading to Economic Prosperity

BAHEP focuses on regional economic growth by expanding, retaining, recruiting and creating targeted businesses.

To this end, BAHEP will:

- 1.1 **Business Environment.** Retain, recruit and expand quality employment opportunities in support of the region’s job-creation organizations, education and workforce development agencies, and other entities that support a comprehensive business environment.
 - 1.1.1 **Industry Clusters.** Concentrate on retaining, recruiting and expanding quality employment opportunities in support of businesses and their suppliers within the region’s five primary industry clusters: aerospace, healthcare, maritime, specialty chemical, and tourism/recreation.
 - 1.1.2 **Entrepreneurship and Small Business Growth.** Demonstrate leadership for creating an entrepreneurial culture that fosters innovation, new business opportunities, and wealth creation.
 - 1.1.3 **Business Attraction.** Lead regional initiatives for business attraction.
 - 1.1.4 **Business Transition.** Lead industry transition planning and workforce retention initiatives, as existing industries experience funding or competitive challenges.
 - 1.1.5 **Global Business.** Assist members in addressing the global competitive pressures which impact regional economic interests and assist with crafting collaborative responses to enhance international business opportunities.



- 1.2 **Business Initiatives.** Research, organize, and lead special programs that promise to offer significant economic value to the region.
- 1.2.1 **Innovation and Commercialization.** Initiate and lead large-scale programs that stimulate innovation and commercial success for regional business. Examples include, but are not limited to, the Space Alliance Technology Outreach Program (SATOP), the Regional Center for Innovation and Commercialization (RCIC), and BayTech.
- 1.2.2 **Business Research and Data.** Offer business research and data services necessary to respond to business opportunities and member needs.
- 1.2.3 **Business Support Services.** Provide value-added economic development member services including, but not limited to, data analysis, infrastructure development support, governance options, advocacy, and other advanced economic development strategies.
- 1.3 **Business and Organizational Effectiveness.** Sustain an organization that accomplishes BAHEP's mission through stewardship of members, sound fiscal management and generation of alternative sources of revenue.
- 1.3.1 **Best Practices.** Incorporate best-practices management to align operations with the strategic plan.
- 1.3.2 **Board of Directors.** Recruit dedicated, farsighted regional leaders to serve on the Board of Directors and Executive Committee.
- 1.3.3 **Committees.** Support an active, responsive committee structure as a catalyst for accomplishing the strategic plan.
- 1.3.4 **BAHEP Staff.** Hire and retain outstanding professional staff who will abide by BAHEP's core values and whose actions will contribute to accomplishing BAHEP's strategic plan goals.
- 1.3.5 **Annual Planning and Budgeting.** Update annually BAHEP's specific objectives to be achieved, the budget to accomplish the objectives, and the measurements to monitor progress.



Elected officials at every level often support BAHEP's initiatives. Houston Mayor Annise Parker is a proponent of BayTech, a technology consortium formed by the Bay Area Houston Economic Partnership.

2. Strategic Alliances – Leading to Solutions

BAHEP, through its members, staff, partnerships and distinctive regional role, clarifies issues and generates solutions to issues that relate to regional economic development.

To this end, BAHEP will:

- 2.1 **Regional Alliances.** Forge partnerships that support BAHEP’s mission and strategic plan.
 - 2.1.1 **Economic Partnerships.** Support partnerships among members and across agencies that result in regional economic vitality.
 - 2.1.2 **Regional Opportunities and Challenges.** Prepare collaborative responses to changing regional dynamics in demographics, education and workforce development, mobility, government policy, disaster preparedness, quality of life, and other strong influences on regional success.
 - 2.1.3 **Workforce.** Lead the coordination of programs to assure that the region’s workforce is prepared, available, and effective.
 - 2.1.4 **Mentorships.** Coach and mentor municipal leaders as they implement their respective local economic development strategic plans.
 - 2.1.5 **Regional Issues.** Support forums for collaborative approaches to regional economic issues.
- 2.2 **Member Alliances.** Recruit, develop, and retain members who will provide strong regional and organizational leadership.
 - 2.2.1 **Member Support.** Coordinate services that support members’ needs and lead to a strong business environment.
 - 2.2.2 **Business Competitiveness.** Respond to members’ informational and competitive needs, as related to BAHEP’s mission.
 - 2.2.3 **National Model.** Extend BAHEP’s image as an innovative, effective national model for regional economic development.



BAHEP maintains strong, productive relations with local, state, and federal officials and their staffs. Many of them participated in BAHEP's initiative to create an inclusive strategic plan.

3. Policy Advocacy – Leading to awareness by local, state, and federal officials of issues relating to BAHEP strategy and the concerns of its membership

BAHEP is the catalyst for recommending, advocating, and integrating policies and actions in support of the region as well as BAHEP's economic development goals.

To this end, BAHEP will:

- 3.1 **Governmental Relations.** Maintain strong, productive relations with local, state, and federal officials and their staffs.
 - 3.1.1 **Review Sessions.** Sponsor informational legislative review sessions and other meetings with elected officials to educate the membership about regional issues of importance.
 - 3.1.2 **Policy Review.** Elucidate policy implications that affect regional industries and interests in order to coordinate effective responses.
- 3.2 **Advocacy.** Coordinate advocacy programs supporting the region's primary industries, as supported by the membership.
 - 3.2.1 **Issue Clarification.** Articulate issues to elected officials to promote the region's business environment, infrastructure development, education and workforce development, and quality of place.
 - 3.2.2 **Support for Regional Institutions.** Lead state and national advocacy in support of the unique institutions that comprise Bay Area Houston and that define the region's strengths, including, but not limited to, NASA-Johnson Space Center, the maritime industry, the specialty chemical industry, and the UTMB Galveston National BioContainment Laboratory and other medical facilities.



4. Communities and Quality of Life — Leading to Strong Communities and Engaged Citizens

When businesses and families consider a potential relocation to Bay Area Houston, an important factor is the community itself and the quality of life in the area. BAHEP helps to meet this important need by increasing the awareness of the positive aspects of Bay Area Houston.

To this end, BAHEP will:

- 4.1 **Inter-Governmental Initiatives.** Lead local inter-governmental initiatives that improve the regional business environment and quality of life.
 - 4.1.1 **Education.** Provide active coordination and leadership in support of regional education initiatives at all levels that improve business competitiveness and the quality of life.
 - 4.1.2 **Public-Private Initiatives.** Promote public-private partnerships to address regional issues as well as county-specific and community-specific issues.
 - 4.1.3 **Community-Based Organizations.** Collaborate with not-for-profits to raise awareness of the needs of Bay Area Houston.

- 4.2 **Regional Development.** Support regional development and partnerships that enhance communities and quality of life.
 - 4.2.1 **Regional Planning.** Support planning and partnerships that advance economic development.
 - 4.2.2 **Regional Marketing.** Promote awareness of the advantages of living and working in Bay Area Houston.
 - 4.2.3 **Infrastructure.** Articulate the needs for necessary regional infrastructure enhancements that support Bay Area Houston's competitiveness.
 - 4.2.4 **Redevelopment.** Collaborate with its members and the community in encouraging redevelopment efforts that enhance Bay Area Houston.
 - 4.2.5 **Sustainable Initiatives.** Support sustainable business initiatives, such as ecotourism, "green" construction, energy, and water.
 - 4.2.6 **Recreation.** Work to raise awareness of regional recreational activities that support economic development.
 - 4.2.7 **Visitors and Tourism.** Assist regional partners to attract visitors, tourists, and conferences to the area.



The Bay Area Houston Economic Partnership supports regional development and partnerships that enhance communities and quality of life.

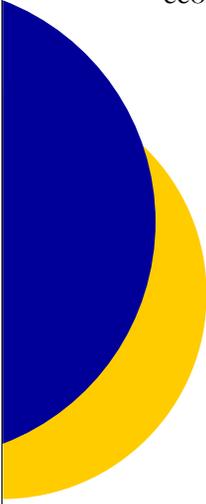
Navigating the Path Ahead

Economic development strategic plans are first and foremost an expression of aspirations. In this plan there are three aspirations: aspirations for BAHEP itself, aspirations for our communities and our region, and aspirations for our children and grandchildren. Aspirations translate into direction, which in turn are specified as goals.

Strategic plans are also roadmaps, plotting a course for the future that accounts for how resources will be allocated to reach certain goals and grounded in an analysis of trends, data, best practices, staff and constituent input, and a pragmatic assessment of the entire economic landscape.

Significantly, strategic plans are also rallying points, collecting the best thinking of the time to organize members and staff toward a longer-term perspective, providing a way to stay on-course and to avoid the inevitable pressures to expend resources on short-term, less important pursuits.

In addition to delineating BAHEP's aspirations, roadmap, and future, there are two departures from most economic development organization's planning efforts.



First, BAHEP has moved beyond traditional leadership in regional economic development. While BAHEP's proven leadership in economic development and regional advocacy are well known, BAHEP's Board of Directors understands that assuring prosperity and vitality requires more than reacting to opportunities. The next five years will emphasize partnerships that create business and jobs. The Space Alliance Technology Outreach Program (SATOP) and BayTech are two examples of active engagement in job creation.

Second, BAHEP and BAHEP's partners are addressing regional issues directly and forcefully, bringing necessary attention to threats to the region's well-being and crafting solutions. The issues vary from education to hurricane preparedness and from national policy on aerospace to international factors that affect maritime and specialty chemical industries.

The common factor is leadership, that quality that defines BAHEP and enables its members to create a strategic plan that is focused and far-reaching, exciting and expansive, big and bold.

The Bay Area Houston Economic Partnership gratefully acknowledges the contributions of Glenn Freedman, Ph.D., EduSafe Systems, Inc., and Don Kelly, Ph.D., Encore Business Consulting, Inc., in the development of this strategic plan, which will serve to guide this organization throughout 2012 — 2016.

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