

GREATER EAST END ECONOMIC DEVELOPMENT STRATEGY



REPORT 2 OF 2
GREATER EAST END MANAGEMENT DISTRICT
DECISION MAKING METHODOLOGY & ECONOMIC DEVELOPMENT STRATEGY

DECEMBER 18, 2013



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Andrew Kaldis, *Kaldis*
Bill Banta, *Centerpoint Energy*
Bolivar Fraga, *Neighborhood Centers, INC.*
Craig Rohden, *Space City Credit Union*
Donald Rozum, *Rhodia*
Ian Havlecek, *Traffic Engineers*
Karen Neimeir, *Real Estate Investor*
Ken Jones, *University of Houston*
Mike Ecklund, *Developer*
Nory Angel, *SER- Jobs for Progress*
Richard Adkins, *Real Estate Investor*
Maritza Guerrero, *Community Family Centers*
Jose Valdez, *Frost Bank*
Bryan Slaven, *Carroll Printing*
David Turkel, *Harris County*
Nancy Powell, *Harris County*
Doug Childers, *East End Chamber*
Jonathan Grenader, *JG Management*

Amar Mohite, *City Of Houston*
Julie Halsey, *Marquis Downtown Houston Lofts*
Sonny Flores, *PEC Corporation*
Joel H. McGlasson III, *Joel H. McGlasson III*
Domenic Laurenzo, *El Tiempo Cantina*
Gwendolyn Tillotson, *City of Houston*
Diane Schenke, *GEEMD*
Patrick Ezzell, *GEEMD*
Robert Fiederlein, *GEEMD*
Hedy Wolpa, *GEEMD*
Juan Flores, *GEEMD*
Pedro Garcia, *Port Houston Authority*
Paul Patterson, *Houston Community College*
Carla Hulse, *City Of Houston*
Jerry Davis, *City of Houston*
Rafael Carrasco, *Proler Southwest*
Julie Stepeche, *HISD*

Introduction

The East End Economic Development Strategy is a comprehensive initiative aimed at strengthening the local economy and improving the ability of the district to meet the needs of both residents and businesses. Today, the East End is a remarkably diverse community, a commercial hub and home to tens of thousands of residents. The district is currently undergoing a period of profound transition, creating an opportunity to become a model of urban revitalization and balanced economic development.

Both local residents and area business owners repeatedly cited the East End's potential throughout the planning process. Stakeholders of all stripes also reported that all too often, outsiders are unfamiliar with the multitude of positive attributes they cherish about their community. As a result, many of the recommendations contained in this strategy reflect the need to externally communicate the positive momentum of recent years while remaining true to the district's rich and distinctive history. The East End District's economic development vision statement also reflects this:

Vision:

The East End is a dynamic and distinct community in Houston in which both residents and businesses thrive.

In practice, the preceding vision statement underscores the fact that the East End is a distinctive place without peer in the Houston region. No other community offers the breadth and depth of residential and commercial development potential in such close proximity to downtown Houston and the Port of Houston. In areas such as marketing, education, and infrastructure, the East End must pursue investments that enhance the district's ability to thrive as both a residential and commercial destination.

This report outlines goals, strategies, and tactics that will help determine the East End's approach to economic development. The first section of the report provides a brief overview of where the Greater East End Management District's efforts should be focused. The second section of the report provides an overview of the East End's target industries (and thus target audiences). These industries will serve as the building blocks for the East End's future prosperity. The final section of the report includes strategies aimed at improving the overall competitiveness of the East End.

Ultimately, the success of the recommendations in this report rests on *all* stakeholders within the East End. Despite its role as an effective champion of the community, the Greater East End Management District alone cannot implement all of the actions necessary to support economic development efforts. Residents, businesses, and educational leaders must all play a critical role in fostering long-term economic growth. The following strategy, which serves as roadmap for successful collaboration, will empower all stakeholders to pursue a coordinated initiative.

About this Project

The Economic Development Strategic Plan for the Greater East End Management District involves two phases:

PHASE 1: Competitive Evaluation

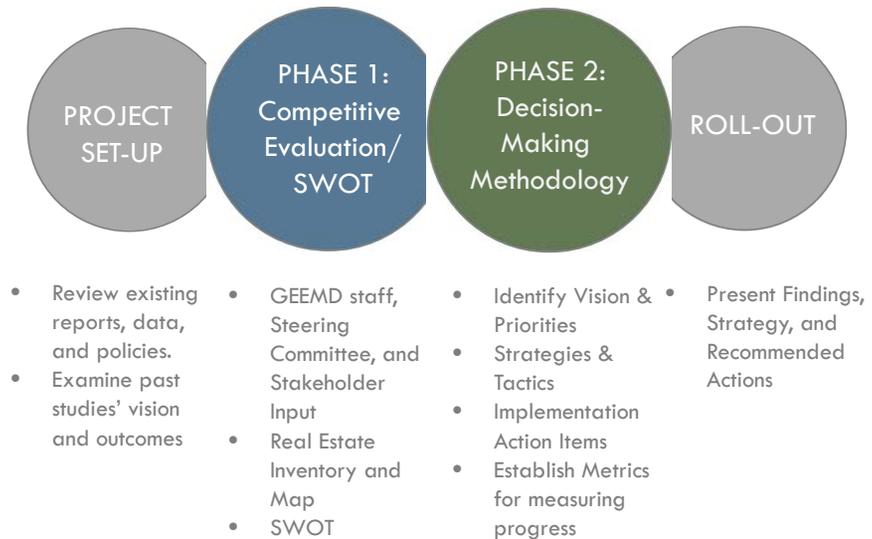
In this phase of the project, the consulting team begins with a thorough evaluation of the East End, conducting stakeholder input sessions, examining past reports, conducting a District tour, and preparing the first report, *Competitive Evaluation*. This report includes an executive summary assessing overall competitiveness in a SWOT (Strengths, Weaknesses, Opportunities and Threats) format; a detailed economic and demographic analysis of the East End and an inventory of real estate assets. For a more detailed description of this report, see the following page.

PHASE 2: Decision Making Methodology

During Phase 2, the consulting team will identify target industries for future economic development activities in East End. This phase will include a study of local, regional, and national trends and how they relate to East End and regional economic assets. The consulting team will provide a clear list of industry audiences targeted for expansion, including concise profiles of these industry sectors as well as local assets that will support their growth.

The process will culminate in a series of recommendations that address elements critical East End's future economic development initiatives, including expanding and attracting appropriate target industries; engaging in internal and external marketing that demonstrates East End's value to target industries; and an implementation timeline.

GREATER EAST END ECONOMIC DEVELOPMENT PLANNING PROCESS



About this Report

The Strategy report provides recommendations to help the Greater East End Management District prioritize actions that facilitate future economic development.

Specific components of the report include:

Section One: Economic Development Goals Executive Summary

The first section of this report identifies four primary goals that will drive the prioritization of economic development efforts throughout the East End. In addition to broader goals, the executive summary provides a brief overview of relevant tactics, metrics, and responsibilities.

Section Two: Catalyst Areas

If the first section identifies goals that should serve as the focus of the Greater East End Management District's economic development efforts, the second section identifies where those initiatives should be implemented. Given the significant scale of the East End, it is crucial that the Greater East End Management District focus its limited resources on those areas that promise the greatest chance of success.

Section Three: Target Industry Profiles

The third section of this study includes brief profiles of each target industry's recent performance at the national and regional level, as well industry dynamics that impact this performance. The profiles also highlight why the East End is a compelling location for each target industry, along with the district's top selling points.

Section Four: Recommendations

The final section includes a more comprehensive description of all recommendations highlighted in the Economic Development Goals Executive Summary Section

SECTION ONE:

ECONOMIC DEVELOPMENT GOALS EXECUTIVE SUMMARY

This section provides an overview of the East End's economic development goals, supporting tactics, metrics, and responsibilities. A more comprehensive description of all recommendations is available in the Recommendations section.



Executive Summary Matrix

The following matrices provide an overview of the primary goals of the Greater East End Management District’s economic development goals. All goals fall into one of four areas—real estate development, marketing & branding, economic development, and mission sustainability. These areas reflect the reality that increased vibrancy and prosperity in the East End will be propelled by sustained redevelopment, an increased awareness of the community’s amenities, expanded employment opportunities, and the organizational resources to sustain economic development initiatives.

Each goal contains additional information on the metrics necessary to measure success, the entities responsibility for achieving the goal, yearly task assignments, and the expected return on investment. The overall prioritization of goals is driven by their relationships to the catalyst areas identified in the Catalyst Corridor section. For example, an infrastructure assessment of all of the East End would be impractical. However, such assessments will be highly valuable on priority areas in the District – those with the highest potential to spark economic development. Over time, however, these goals will positively impact the entire East End.

GOAL 1.0

Residential and commercial development increases along Catalyst Corridors.

Rationale: The East End needs a critical mass of concentrated redevelopment.

| | |
|----------------|---|
| TACTIC | 1.1 Conduct Beautification and Walkability Assessment on Catalyst Corridors (as necessary) |
| METRIC | Increased capital investment throughout catalyst areas. |
| RESPONSIBILITY | GEEMD Staff <i>Partners</i> Local Business Community, Real Estate Brokers, Property Owners, Residents |
| STEP 1 | <ul style="list-style-type: none"> • Begin beautification and walkability assessment on catalyst corridors; if funding is limited, assessments on individual corridors should be done sequentially. If funding for the entire district is available, all corridors should be assessed simultaneously. • Given the improvements already made to the Second Ward area, no assessment is necessary. • Given the size of individual properties throughout the Bayou Ex-industrial Corridor, no assessments should be done until investors publicize their plans for redevelopment. |
| STEP 2 | <ul style="list-style-type: none"> • Conduct assessment a on IH 45 Wayside / Gulfgate Corridor. • Conduct interviews and focus groups with relevant representatives during assessment process • Seek funding for key projects within the catalyst corridor. |
| STEP 3 | <ul style="list-style-type: none"> • Conduct assessments on Harrisburg / 67th / Wayside Commercial Corridor and Lockwood IH 45 / Harrisburg Corridor. • Conduct interviews and focus groups with relevant representatives during assessment process • Seek funding for key projects within the catalyst corridor. |
| ROI | Understanding beautification and walkability needs will prepare catalyst areas for development |

GOAL 1.0

Residential and commercial development increases along Catalyst Corridors.

Rationale: The East End needs a critical mass of concentrated redevelopment.

| | |
|----------------|---|
| TACTIC | 1.2 Craft an implementation plan for soft infrastructure investments for each catalyst corridor |
| METRIC | Increased capital investment throughout catalyst areas. |
| RESPONSIBILITY | GEEMD Staff <i>Partners</i> Local Business Community, Real Estate Brokers, Property Owners, Residents |
| STEP 1 | <ul style="list-style-type: none"> Once a beautification and walkability assessment has been completed for a corridor, a supporting implementation plan for soft infrastructure investments should be developed. Given the improvements already made to the Second Ward area, no implementation plan is necessary Given the size of properties throughout the Bayou Ex-industrial Corridor, no implementation plan should be produced until investors publicize their intentions for individual sites. |
| STEP 2 | <ul style="list-style-type: none"> Craft implementation plan for IH 45 Gulfgate / Wal-Mart Corridor. Seek funding for key projects within the catalyst corridor. |
| STEP 3 | <ul style="list-style-type: none"> Craft implementation plans for Harrisburg / 67th / Wayside Commercial Corridor and Lockwood IH 45 / Harrisburg Corridor. Seek funding for key projects within the catalyst corridor. |
| ROI | Having an efficient plan to realize goals identified in the beautification and walkability assessment |

GOAL 1.0

Residential and commercial development increases along Catalyst Corridors.

Rationale: The East End needs a critical mass of concentrated redevelopment.

| | |
|----------------|--|
| TACTIC | 1.3 Create a marketing plan to highlight improvements made to individual corridors and attract capital investment. |
| METRIC | Increased capital investment throughout catalyst areas. |
| RESPONSIBILITY | GEEMD Staff <i>Partners</i> Local Business Community, Real Estate Brokers, Property Owners, Residents |
| STEP 1 | <ul style="list-style-type: none"> • After the completion of a beautification and walkability assessment and aligned an implementation plan, each corridor needs a marketing plan to increase awareness of the improvements made. • The Second Ward area should be the focus of initial marketing efforts |
| STEP 2 | <ul style="list-style-type: none"> • Create marketing plan for IH 45 Gulfgate / Wal-Mart Corridor. |
| STEP 3 | <ul style="list-style-type: none"> • Create marketing plan for Harrisburg / 67th / Wayside Commercial Corridor and Lockwood IH 45 / Harrisburg Corridor. |
| ROI | Increased awareness of public corridor investments should spur additional private investment |

GOAL 1.0

Residential and commercial development increases along Catalyst Corridors.

Rationale: Improve infrastructure in support of recruitment and expansion.

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|----------------|---|
| TACTIC | 1.4 Improve and promote sites / existing buildings in manufacturing and logistics-targeted corridors. |
| METRIC | Increased capital investment throughout catalyst areas. |
| RESPONSIBILITY | GEEMD Staff <i>Partners</i> City of Houston, Harris County, Port Authority, Developers, Property Owners, TXDOT, METRO, HGAC, Rail District |
| STEP 1 | <ul style="list-style-type: none"> Working with COH, Harris County and other partners, advocate for investment in infrastructure improvements on sites and buildings targeted for manufacturing and logistics Be involved with the Port Authority, City and County on initiatives related to improving road and rail access around manufacturing and logistics sites. Work with Port Authority to establish a Transportation Reinvestment Zone. |
| STEP 2 | <ul style="list-style-type: none"> Work with landowners and brokers representing prime manufacturing and logistics sites/existing buildings to ready sites for investment. Work with landowners and brokers to develop an inventory of sites/existing buildings that includes attributes and site data. |
| STEP 3 | <ul style="list-style-type: none"> Develop marketing materials (e.g., brochure and/or pages on the new marketing website) that showcase the sites/existing buildings as an option for new logistics and manufacturing operations expanding in the Greater Houston area. |
| ROI | Increased capital investment by manufacturing and logistics companies, creating jobs for East End residents |

GOAL 1.0

Residential and commercial development increases along Catalyst Corridors.

Rationale: The East End needs a critical mass of concentrated redevelopment.

| | |
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| TACTIC | 1.5 Finalize and expand economic development programs with the City of Houston. |
| METRIC | Capital invested / jobs created in Catalyst Corridors |
| RESPONSIBILITY | GEEMD Staff <i>Partners</i> City of Houston, Local Business Community, Chamber of Commerce, Developers |
| YEAR 1 | <ul style="list-style-type: none"> • Sign a 380 agreement with the City of Houston to be administered by the Greater East End Management Company. Such an agreement will allow the GEEMD to incentivize commercial, retail, and residential development through strategic infrastructure investments and tax abatements. • Administer 380 agreements by continuing outreach efforts to potential real estate developers. |
| YEAR 2 | <ul style="list-style-type: none"> • Administer 380 agreements by continuing outreach efforts to potential real estate developers. |
| YEAR 3 | <ul style="list-style-type: none"> • Administer 380 agreements by continuing outreach efforts to potential real estate developers and supervising infrastructure projects and/or abatements. |
| ROI | Additional resources to spark redevelopment of underutilized properties in East End |

GOAL 1.0

Residential and commercial development increases along Catalyst Corridors.

Rationale: The remains significant unmet retail demand throughout the East End.

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| TACTIC | 1.6 Promote the results of the Retail Leakage Study. |
| METRIC | Expanded retail offerings, increased sales tax revenues (pending availability), increased retail employment |
| RESPONSIBILITY | GEEMD Staff <i>Partners</i> Local Business Community, Chamber of Commerce, Real Estate Developers |
| YEAR 1 and 2 | <ul style="list-style-type: none"> • Share results of the retail leakage study to existing property owners and brokers as well as prospective real estate developers. • Proactively solicit retailers to establish bricks and mortar locations to fill retail gaps • Share results of the retail leakage study with HCC and small businesses to encourage retail entrepreneurs. • Host tours of the community for real estate developers. |
| YEAR 3 | <ul style="list-style-type: none"> • Update the retail leakage study. • Share the updated results with property owners, brokers, developers and area entrepreneurs. |
| ROI | Increased retail offerings and sales tax revenue in the East End, improved quality of life for residents, new jobs, new attractions to bring non-residents into the District |

GOAL 2.0

The East End has a clearly communicated brand identity that inspires residential and commercial investment.

Rationale: Outside of the community, the East End currently lacks a distinctive identity.

| | |
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| TACTIC | 2.1 Designate sub-districts by appropriate use. |
| METRIC | Increased capital investment, increased job creation in the East End |
| RESPONSIBILITY | GEEMD Staff <i>Partners</i> Local Business Community and Residents |
| YEAR 1 | <ul style="list-style-type: none"> • Focus development efforts on La Zona Central, including the creation of a cultural center and street market. • Invest in signage and other improvements that distinguish and promote the districts. • Work to establish Leisure & Hospitality, Commercial, Arts, and Industrial Districts |
| YEAR 2 | <ul style="list-style-type: none"> • Identify additional sub-districts as organizational efforts focus on new catalyst corridors. • Invest in signage and other improvements that distinguish and promote the districts. • Work to establish Leisure & Hospitality, Commercial, Arts, and Industrial Districts |
| YEAR 3 | <ul style="list-style-type: none"> • Identify additional sub-districts as organizational efforts focus on new catalyst corridors. • Invest in signage and other improvements that distinguish and promote the districts. • Work to establish Leisure & Hospitality, Commercial, Arts, and Industrial Districts |
| ROI | Improved ability to market sub-districts to prospective investors, improved District branding |

GOAL 2.0

The East End has a clearly communicated brand identity that inspires residential and commercial investment.

Rationale: Outside of the community, the East End currently lacks a distinctive identity.

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| TACTIC | 2.2 Invest in additional signage and street art that clearly delineates the East End. |
| METRIC | Increased capital investment, increased job creation in the East End |
| RESPONSIBILITY | GEEMD Staff & Chamber of Commerce <i>Partners</i> Local Business Community and Residents |
| YEAR 1 and 2 | <ul style="list-style-type: none"> • Identify strategic gateways to the East End, prioritized by proximity to catalyst corridors. • Hire design team to create sign toppers concepts. Solicit artwork proposals. • Collaborate with residents and business owners on final design. • Adopt street sign topper design and street art. • Install initial sign toppers and street area in and near high priority catalyst corridors. |
| YEAR 3 | <ul style="list-style-type: none"> • Continue installation of sign toppers and street art in additional catalyst corridors. |
| ROI | Increased awareness among outside residents of East End amenities, increased community pride, improved quality of life for residents |

GOAL 2.0

The East End has a clearly communicated brand identity that inspires residential and commercial investment.

Rationale: Outside of the community, the East End currently lacks a distinctive identity.

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| TACTIC | 2.3 Engage in a joint marketing initiative with the Houston East End Chamber of Commerce. |
| METRIC | Increased capital investment, increased job creation in the East End |
| RESPONSIBILITY | GEEMD Staff & Chamber of Commerce <i>Partners</i> Local Media Outlets |
| YEAR 1 | <ul style="list-style-type: none"> • Work with the Chamber to create an East End marketing plan. • Designate resources to fuel a joint marketing initiative. • Develop marketing tools as determined by the plan. |
| YEAR 2 | <ul style="list-style-type: none"> • Encourage coverage by local media of the changes in the East End during the light rail line’s first year of operations. • Fully launch the marketing initiative as determined by the plan. |
| YEAR 3 | <ul style="list-style-type: none"> • Continue marketing efforts, updating the plan as needed. |
| ROI | Greater overall greater awareness of the East End within the broader Houston region |

GOAL 3.0

The East End supports the expansion and retention of existing businesses and encourages entrepreneurialism and small business creation.

Rationale: Future employment growth will be driven by the expansion of new businesses, the success of existing businesses, and the continuation of the community's entrepreneurial culture.

| | |
|----------------|---|
| TACTIC | 3.1 Adopt a concerted business expansion and retention program for East End employers. |
| METRIC | Increased job creation by current East End employers (as measured by surveys of largest employers) |
| RESPONSIBILITY | GEEMD Staff & Chamber of Commerce <i>Partners</i> Local Business Community and Residents |
| YEAR 1 | <ul style="list-style-type: none"> Identify top 100 employers in the East End and top 25 rate payers (D&B, Greater Houston Partnership, e.g. as a source) Conduct an online survey to gauge major East End employers'/ratepayers' sentiments on growth plans, possible local deficiencies impeding such growth, and estimated employment. Follow up with phone calls as needed. Use survey results to develop a top 10 infrastructure priority list. |
| YEAR 2 | <ul style="list-style-type: none"> Continue to conduct the annual business survey and updating the top 10 infrastructure priority list. Develop action plans as necessary to address issues raised during the survey process. |
| YEAR 3 | <ul style="list-style-type: none"> Continue to conduct the annual business survey and updating the top 10 infrastructure priority list. Seek funding for a formal BRE program and determine feasibility of a full-time BRE representative |
| ROI | Jobs stay in and expand in the East End, creating additional career opportunities for residents |

GOAL 3.0

The East End supports the expansion and retention of existing businesses and encourages entrepreneurialism and small business creation.

Rationale: Future employment growth will be driven by the expansion of new businesses, the success of existing businesses, and the continuation of the community's entrepreneurial culture.

| | |
|----------------|--|
| TACTIC | 3.2 Facilitate small business and entrepreneurship programming for East End residents. |
| METRIC | Increase in number of individuals and small business owners served by programming efforts, Increase in annual number of start-up companies established in the East End |
| RESPONSIBILITY | University of Houston's Wolff Center for Entrepreneurship, Houston Community College, GEEMD Staff, and other groups as needed |
| YEAR 1 | <ul style="list-style-type: none"> Collaborate with the Wolff Center for Entrepreneurship and HCC to host quarterly small business and entrepreneurship programming. (GMEED should host the Wolff Center and HCC programming and help market the event. The Wolff Center and HCC would be responsible for actual programming.) Explore the possibility of permanently housing Wolff Center for Entrepreneurship programming and other small business services such as business planning assistance and capital identification assistance in the GEEMD's offices. |
| YEAR 2 | <ul style="list-style-type: none"> Collaborate with Houston Business Development, Inc. on additional small business programming, continuing to work with the University of Houston and HCC. GMEED's role would be limited to hosting and marketing. Depending on need, make office space available to aspiring entrepreneurs and small business owners |
| YEAR 3 | <ul style="list-style-type: none"> If financial and human resources are available, continue scaling programming to meet demand. |
| ROI | Increased number of small business and start-ups in the East End creates job opportunities for residents and further diversifies the economy |

GOAL 4.0

The Greater East End Management District will have the full resources needed to lead an ongoing economic development campaign.

Rationale: Additional improvements in the East End will be best served by greater organizational support and focus.

| | |
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| TACTIC | 4.1 Establish a permanent source of economic development funding for the East End. |
| METRIC | Sustained funding for three years out |
| RESPONSIBILITY | GEEMD Staff and Board Members <i>Partners</i> Local Business Community, Chamber of Commerce |
| YEAR 1 TASKS | <ul style="list-style-type: none"> Establish a task force to explore the feasibility of a standalone economic development campaign and funding sources. |
| YEAR 2 TASKS | <ul style="list-style-type: none"> Begin the fundraising campaign. Meet with local property owners regarding membership in economic development organization. Leverage board members in fundraising outreach efforts. |
| YEAR 3 TASKS | <ul style="list-style-type: none"> Hire project manager to assist in branding & marketing campaign. Create annual economic forum by year's end to highlight achievements and present vision moving forward. |
| ROI | Permanent capacity to continue economic development in the East End. |

SECTION TWO:

CATALYST AREAS RECOMMENDATIONS

This section provides an overview of the geographic focus of the East End's economic development goals efforts. Concentrated development of these 'Catalyst Areas' will help drive broader growth throughout the East End.

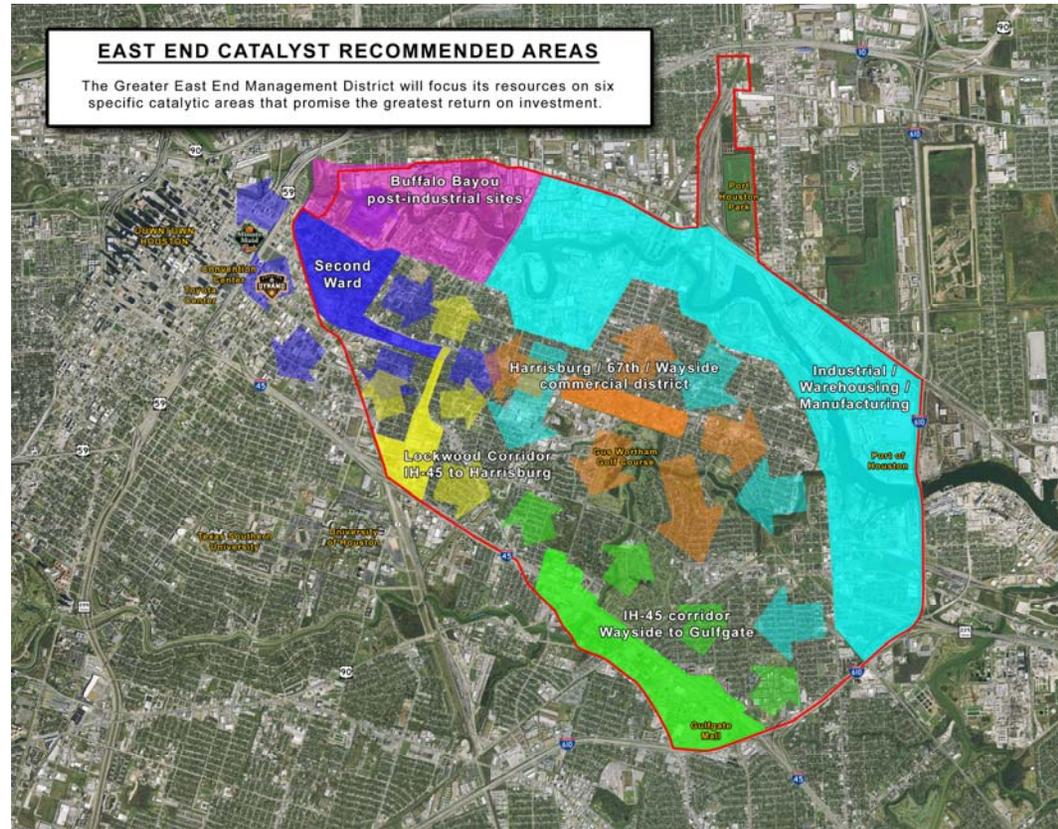


Recommended Catalyst Areas

Given the sheer size of the East End, the Greater East End Management District must focus its resources on specific areas that promise the greatest return on investment. Specifically, the following five areas are the most immediately compelling locations within the East End:

- Second Ward
- Buffalo Bayou post-industrial sites
- IH 45 corridor, Wayside to Gulfgate
- Harrisburg / 67th / Wayside commercial district
- Lockwood corridor, IH 45 to Harrisburg
- Industrial / Warehousing / Manufacturing

The following pages within this section provide the rationale for the selection of the catalyst areas, as well as metrics by which to measure success, the responsible parties for aligned action, and supporting tactics.



CATALYST AREAS

PRIORITY
Second Ward

Rationale: Capitalize on current revitalization momentum and help ensure its evolution

| | |
|----------------|---|
| METRIC | Amount of new investment in the Second Ward |
| RESPONSIBILITY | <p>GEEMD</p> <p><i>Partners:</i> Neighborhood association (may need to create), East End Chamber of Commerce</p> |
| STEP 1 | <ul style="list-style-type: none"> Identify beautification and walkability needs. |
| STEP 2 | <ul style="list-style-type: none"> Address beautification and walkability needs. Develop a collective marketing platform (maps, web/internet and other outreach) that aligns with the GEEMD / Chamber marketing plan. Plan a social connectivity program to increase the sense of community (events, newsletters, social media). |
| STEP 3 | <ul style="list-style-type: none"> Market the Second Ward to residential and retail developers. |

CATALYST AREAS

PRIORITY

Buffalo Bayou post-industrial sites

Rationale: Large single-owner sites with potential transformative impacts

| | |
|----------------|--|
| METRIC | Acreage of new development or redevelopment; acreage or linear feet of new public infrastructure and amenities |
| RESPONSIBILITY | GEEMD/ City of Houston (Public Works, Parks and Recreation, TIRZ) <i>Partners:</i> HCFCD, ACE (if applicable), Houston Parks Board |
| STEP 1 | <ul style="list-style-type: none"> • Identify beautification and community needs. • Create a map showing the area covered and areas for improvement. |
| STEP 2 | <ul style="list-style-type: none"> • Collaborate with COH, others as needed to address amenity improvements. • Facilitate incentive / reimbursement agreements for developers. |
| STEP 3 | <ul style="list-style-type: none"> • Continue working with COH and property owners / developers. • Promote the area to developers. |

CATALYST AREAS

PRIORITY
IH 45 corridor, Wayside to Gulfgate

Rationale: Increased retail sales and property values; acreage of redevelopment

| | |
|----------------|---|
| METRIC | Increased retail sales and property values; acreage of redevelopment |
| RESPONSIBILITY | <p>GEEMD</p> <p><i>Partners:</i> City of Houston (Public Works, Parks and Recreation), TxDOT, Scenic Houston, Houston Parks Board</p> |
| STEP 1 | <ul style="list-style-type: none"> Organize IH 45 corridor property owners to discuss beautification / identity vision. Work with COH Parks and Houston Parks Board to enhance future Brays Bayou trail experience. |
| STEP 2 | <ul style="list-style-type: none"> Seek funding sources and partners for freeway beautification and Bayou trail enhancements. |
| STEP 3 | <ul style="list-style-type: none"> Continue to seek funding sources and partners for freeway beautification and Bayou trail enhancements. Proceed with funding applications and design plans. |

CATALYST AREAS

PRIORITY

Harrisburg / 67th / Wayside commercial district

Rationale: Prepare unique commercial area for future rail service and elevate community fondness.

| | |
|----------------|--|
| METRIC | Increased occupancy of commercial buildings; increased retail sales; acreage of development / redevelopment |
| RESPONSIBILITY | GEEMD <i>Partners:</i> Scenic Houston, local business / property owner group |
| STEP 1 | <ul style="list-style-type: none"> • Identify beautification and community needs. • Identify funding sources for capital façade grant program and/or a revolving loan fund. • Initiate discussions with property owners and businesses as to structuring façade program and soft programming. |
| STEP 2 | <ul style="list-style-type: none"> • Find partner to manage façade grant program and/or a revolving loan program. • Create soft programming / events after rail segment opens. |
| STEP 3 | <ul style="list-style-type: none"> • Continue with program implementation. • Promote the area to developers. |

CATALYST AREAS

PRIORITY

Lockwood corridor, IH 45 to Harrisburg

Rationale: Tap into currently unexploited proximity to activity generator in UH; large single owner sites; proximity to gentrifying Eastwood area.

| | |
|----------------|---|
| METRIC | Acreage of redevelopment; new jobs created |
| RESPONSIBILITY | GEEMD <i>Partner:</i> University of Houston |
| STEP 1 | <ul style="list-style-type: none"> • Promote location at Lockwood and IH 45 as a redevelopment site. • Begin conversations with the University of Houston about expanding campus-related development (both housing and administrative activities) north of IH 45. |
| STEP 2 | <ul style="list-style-type: none"> • Continue dialogue with the University of Houston • Continue promoting the location as a redevelopment site. |
| STEP 3 | <ul style="list-style-type: none"> • Continue dialogue with the University of Houston, supporting them on expansion activities. • Continue promoting the location as a redevelopment site. |

CATALYST AREAS

PRIORITY

Manufacturing and Distribution Targeted Sites / Existing Buildings

Rationale: Improve infrastructure in support of recruitment and expansion.

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|----------------|---|
| METRIC | Increased investment by manufacturing/processing and distribution/warehousing companies, increased employment in manufacturing/processing and distribution/warehousing within the East End |
| RESPONSIBILITY | <p>GEEMD</p> <p><i>Partners:</i> City of Houston, Harris County, Port Authority, Developers, and Property Owners, TXDOT, METRO, HGAC, Rail District</p> |
| STEP 1 | <ul style="list-style-type: none"> Working with COH, Harris County and other partners, advocate for investment in infrastructure improvements on sites and buildings targeted for manufacturing and logistics Be involved with the Port Authority, City and County on initiatives related to improving road and rail access around manufacturing and logistics sites. Work with Port Authority to establish a Transportation Reinvestment Zone. |
| STEP 2 | <ul style="list-style-type: none"> Work with landowners and brokers representing prime manufacturing and logistics sites/existing buildings to ready sites for investment. Work with landowners and brokers to develop an inventory of sites/existing buildings that includes attributes and site data. |
| STEP 3 | <ul style="list-style-type: none"> Develop marketing materials (e.g., brochure and/or pages on the new marketing website) that showcase the sites/existing buildings as an option for new logistics and manufacturing operations expanding in the Greater Houston area. |

SECTION THREE:

Target Recommendations

The third section of this report identifies the industries that will drive employment growth throughout the East End's. The section also offers niche sectors within each industry and a general summary of the potential for growth within the East End.



Target Recommendations

In era of limited resources, targeting individual industries ensures that a community’s economic development efforts are focused on industries with the greatest potential return on investment. Organizations such as the Greater East End Management District have finite funding and staff time and must prioritize their activities accordingly. By targeting specific industries (and thus audiences), organizations can concentrate on expanding employment and investment in areas in which the community possesses a local competitive advantage. Such a strategy not only increases the likelihood of success, but also ensures the maximum impact of all corresponding expenditures.

Following a full review of local and national industry trends, competitive assets, and community vision, the consulting team recommends the following four target audiences and niche sectors for the East End.



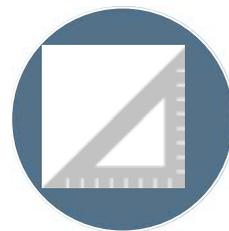
Light Manufacturing and Assembly

- Metal and component fabrication
- Re-packaging and assembly of Port goods
- Food processing
- Handcrafted and artisan goods



Logistics and Warehousing

- Freight storage and distribution
- Consumable products storage and distribution
- Logistics management companies



Professional Services

- Design agencies
- Architecture firms
- Engineering firms



Personal Services, Retail & Restaurants

- Global food market
- Unique dining and entertainment options
- Dry cleaners, salons, boutiques

Target Industry Summaries

Light Manufacturing & Assembly

The East End already possesses significant strengths in manufacturing. Nearly one in five jobs within the East End is in the manufacturing sector, nearly three times the city of Houston average. The East End can build on existing strengths such as the Port of Houston to expand the presence of companies that provide metal and component fabrication within the district. Although the East End is already home to several food processing facilities, including Maximus Coffee, there remains additional room for growth within this niche sector (as demonstrated by the Pita Pals and Pinto Cookie, two companies that have recently moved into the area). The handcrafted goods sector would not only create opportunities for local artisans, but also help spur growth in the East End's retail sector.

Logistics & Warehousing

The Trade, Transportation, & Utilities sector, which encompasses Logistics & Warehousing, is already the largest employer within the East End. Again, the presence of the Port of Houston ensures that the East End will remain home to many Logistics & Warehousing operations. Existing commerce at the port, combined with anticipated growth associated with the expansion of the Panama Canal, will create new opportunities in freight storage and distribution, consumable products storage and distribution, and logistics management companies.

Professional Services

During the past five years, Professional & Business Services has added more jobs in the East End than any other industry. The district's proximity to downtown, combined with competitive leasing rates and a greater availability of parking, makes it an increasingly compelling destination for Professional & Business Services firms. Creative reuse of the East End's many underutilized commercial properties could lure additional design agencies, advertising firms, and engineering firms looking for unique urban spaces, especially sites with a wide range of transit options.

Personal Services, Retail & Restaurants

As target industries are typically limited to primary sectors that circulate new money into a local economy, Personal Services, Retail, & Restaurants is often excluded from consideration. Due to the community's unique circumstances, however, Personal Services, Retail & Restaurants is an appropriate target industry for the East End. Perhaps most importantly, previous retail leakage studies have demonstrated that the district has far more purchasing power than is reflected in existing personal services and retail outlets. As a result, most of the spending of East End residents and workers occurs outside of the community. Additional personal services and retail outlets would increase dollars that remain within the district. Additionally, targeting personal services and retail outlets will increase the East End's quality of life, increasing the district's attractiveness to further residential and commercial development. Finally, new services and retail outlets can provide opportunities for local entrepreneurs.

Light Manufacturing & Assembly

About the Industry

Light Manufacturing & Assembly includes the production of goods without significant environmental impact during the manufacturing process. The industry also includes the assembly of individual components into finished products.

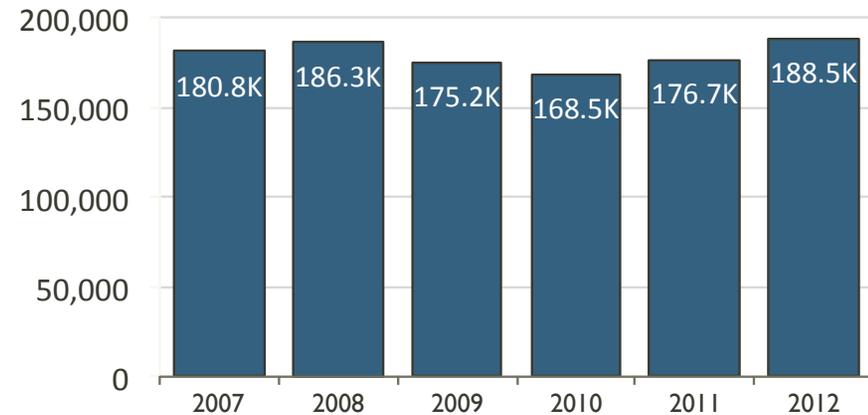
Driven by increased technology, the rise of foreign production and falling trade barriers, manufacturing employment has steadily fallen in the U.S. during the past 30 years. Since the recession, however, manufacturing has enjoyed a period of relative renaissance. Increased activity in the automotive, aerospace, electronics, and energy sectors, combined with a favorable currency, falling energy prices, and the rising costs of foreign labor have all helped make U.S. manufacturing more competitive.

After experiencing declines during the recession, Harris County's manufacturing employment has strongly rebounded (Harris County employment figures are cited throughout this document due to the fact that a successful target strategy will require that the East End capture a growing proportion of job gains within the broader region.) Between 2010 and 2012, total manufacturing employment in Harris County increased to 188,000, a gain of nearly 20,000 positions. In 2012 alone, more than 1 in every 20 manufacturing jobs created in the U.S. was located in Harris County. In addition to a thriving energy market, the region also benefits from one of the busiest ports in the U.S.. The Port of Houston has provided local manufacturers with access to global markets; in August 2013, the Commerce Department announced that Greater Houston leads the nation in jobs supported by manufactured exports. With the energy market projected to sustain its current momentum, as well as the emergence of potentially new foreign markets, thanks to the expansion of the Panama Canal, the region's manufacturing sector will likely remain among the most resilient in the U.S..

Target niche sectors identified for the East End include:

- Metal & Component Fabrication
- Repackaging & Assembly of Port Goods
- Food Processing
- Handcrafted & Artisan Goods

HARRIS COUNTY MANUFACTURING EMPLOYMENT



SOURCE: Bureau of Labor Statistics

Why the East End?

The East End is already home to a sizable Light Manufacturing & Assembly industry. Manufacturing employs more than 5,000 workers in the East End, nearly 20% of all workers in the district (approximately three times the concentration of the city of Houston as a whole). After experiencing employment declines during the recession, manufacturing employment within the East End has returned to health; between 2009 and 2011, the district added nearly 450 manufacturing jobs.

In addition to the thousands of manufacturing jobs located within the East End, many of the district's residents also work in the manufacturing sector (though they are employed outside the boundaries of the East End). Approximately 13% of employed East End residents work in the manufacturing sector. Since 2007, however, the number of East End residents employed in the manufacturing industry has fallen by approximately 900 positions. These declines suggest the Greater East End already possesses a significantly underutilized manufacturing workforce

In addition to its current workforce, the East End benefits from a continual infusion of new talent from its institutions of higher learning. The Southeast campus of Houston Community College is the designated manufacturing school of the HCC system. Additionally, the Corrosion Technology Academy at Houston Community College provides training on the maintenance of manufactured goods subject to corrosion. Notably, this new program was created in response to employer demand. The University of Houston also offers students a minor in Manufacturing Systems.

Top Selling Points

- The East End enjoys proximity to the Port of Houston and several highways
- The East End Light Assembly & Manufacturing firms have a history of success
- The East End already supports significant food processing operations; it is home to one of the three decaffeination plants in the U.S.
- The East End has an abundance of skilled manufacturing workers
- Houston Community College and the University of Houston provide a continual supply of new workers

Logistics & Warehousing

About the Industry

The Logistics & Warehousing industry encompasses a wide range of services related to the storage and distribution of goods. Although Logistics & Warehousing includes all modes of transportation, due to the district’s proximity to the Port of Houston the East End’s strengths are primarily related to sea distribution (and related trucking activity).

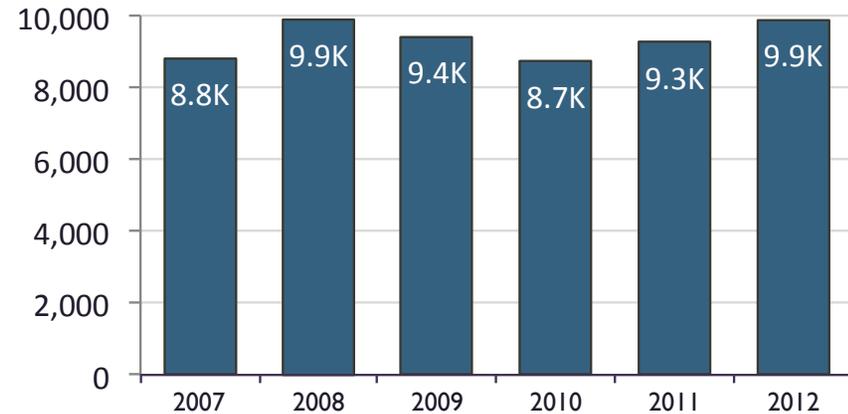
The freight storage and distribution niche sector involves the basic storage of goods en route to their final destination. The consumable products storage and distribution niche sector often requires specialized facilities such as refrigerated warehouses and other measures to ensure food product safety. Logistics management companies facilitate supply chains for outside firms, reducing costs, increasing efficiency, and allowing clients to focus on their core business competencies.

Although employment in the Logistics & Warehousing industry contracted during the recession, the industry has sharply rebounded in the past few years. Today there are nearly 775,000 individuals directly employed in warehousing, storage, and logistics consulting services—a 34% increase since 2002.

The local Logistics & Warehousing industry has consistently outperformed the U.S. average during the past decade. Today, the Logistics & Warehousing industry directly employs nearly 10,000 workers in Harris County, an 82% increase since 2002. Employment growth in Harris County’s Logistics & Warehousing industry has been propelled by increases in Greater Houston’s imports and exports.

Although significant growth has been fueled by petrochemical production, Greater Houston has posted strong export growth in a number of other commodities. The value of exports shipped from the Houston-Galveston port district—*excluding fuels and organic chemicals*—increased by 33% between 2007 and 2012 (comparable exports from the U.S. increased 28% during this same period). The Houston-Galveston port district has also experienced a significant increase in many imports during this period, including fruits, vegetables, cereals, meat, fish, and coffee.

HARRIS COUNTY LOGISTICS & TRANSPORTATION EMPLOYMENT
(WAREHOUSING & STORAGE +
PROCESS & LOGISTICS CONSULTING SERVICES)



SOURCE: Bureau of Labor Statistics

Why the East End?

The East End possesses significant existing strengths in Logistics & Warehousing. The industry is already one of the leading employers within the East End. In 2011, there were more than 3,000 Transportation & Warehousing jobs within the East End, representing more than 10% of all jobs in the district (twice the average for the city of Houston as a whole). Despite the gradual increase in residential activity within the district, employment in the East End's Logistics & Warehousing industry has remained relatively stable, further underscoring the East End's ability to serve both as both a residential and commercial hub. After a slight dip in 2009 and 2010, the number of Transportation & Logistics jobs in the East End increased 6% in 2011.

The relative size of the East End's existing warehousing facilities underscores the inherent advantages the district enjoys in serving industry needs. The East End is a truly multimodal community. No other community in Houston has simultaneous access to the Port of Houston, multiple freeways (I-45, I-10, and 610) and several rail lines. Although specific sites within the East End require road, drainage, and other infrastructure investments, the district currently offers an unparalleled combination of location and accessibility.

A robust talent pipeline further compliments the Greater East End's physical competitive advantages. Maritime Logistics is one of the flagship programs of Houston Community College. The school, which offers 9-month and 2-year programs, annually produces approximately 400 graduates, many of which find employment within the East End. The University of Houston also offers a Supply Chain and Logistics Technology Major, with separate tracks for operations, systems management, and global logistics.

A \$5.25 billion expansion of the Panama Canal, scheduled for completion in 2015, promises to fuel continued growth in the East End's Logistics & Warehousing. As noted by a recent study commissioned by the Texas Department of Transportation, the Panama Canal's expansion may create opportunities to increase the exports of "products such as petrochemical products, value added manufacturing products, packaged food products, cotton, pecans, consumer goods, and other commodities" to existing and new international markets.

Top Selling Points

- Logistics & Warehousing firms have historically thrived in the East End
- The East End provides prospective firms entry into one of the country's premier shipping gateways
- The East End has excellent multimodal access
- Logistics programs at the University of Houston and Houston Community College provide continual supply of skilled workers
- Expansion of the Panama Canal will create new opportunities for Logistics & Warehousing firms in the East End

Professional Services

About the Industry

The Professional Services sector involves a variety of typically separate industries—architecture, engineering, design, advertising, and public relations. Despite the differences of these individual industries, they possess similar facility requirements.

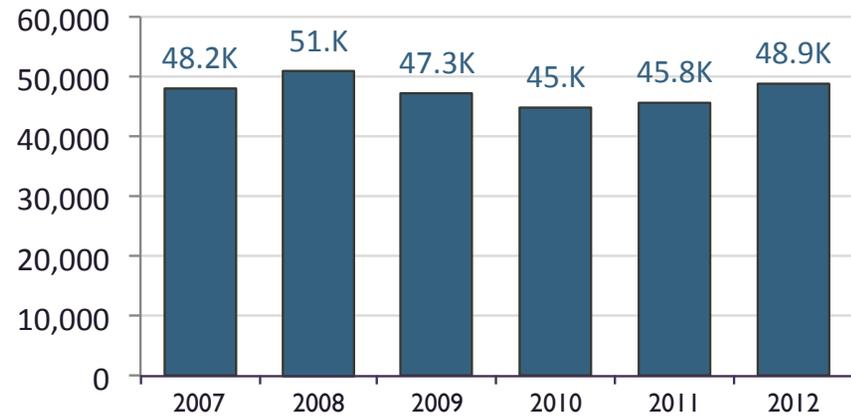
From architectural firms to advertising agencies, Professional Services firms typically occupy Class A office space. Such space is often located in and around urban cores to increase accessibility to clients. Many Professional Services firms also seek out non-traditional spaces that reflect the creative tendencies of their operations. Repurposed warehouses and other former industrial sites not only deliver a unique atmosphere, but they are often very cost competitive compared to office space available in the central business district. Such considerations are particularly important to entrepreneurial architects and designers looking to launch their own firms.

Nationally, the recession negatively impacted all industries in the Professional Services sector. The bursting of the U.S. real estate bubble dampened demand for architectural and engineering services. Corporate cutbacks also led to job losses in advertising and public relations. In 2012, however, U.S. employment in architecture, engineering, design, advertising, and public relations all increased.

As noted earlier, Greater Houston has remained remarkably resilient throughout the recession and subsequent recovery. After declines associated with the economic downturn, Professional Services employment roared back to life in 2012. Last year, Professional Services employment in Harris County jumped nearly 7%—more than 3 times the sector’s overall growth rate in the U.S. and 50% higher than total employment increases in Harris County.

Thanks to a healthy energy market, engineering services in particular have enjoyed strong employment growth. In 2012 alone, Harris County was responsible for creating 2,750 jobs in the engineering industry, representing nearly one of every six engineering jobs created in the US. Last year, the region also witnessed employment increases in architecture, design, advertising, and public relations. As the implosion of the real estate market recedes from view and corporate spending continues to increase—especially in the Greater Houston region—Professional Services employment should continue to rise.

HARRIS COUNTY PROFESSIONAL SERVICES EMPLOYMENT
(ARCHITECTURE + ENGINEERING + DESIGN + ADVERTISING + PUBLIC RELATIONS)



SOURCE: Bureau of Labor Statistics

Why the East End?

The East End's physical and geographic characteristics are extremely well suited to the site selection tendencies of Professional Services firms. Located in immediate proximity to downtown Houston, the East End provides companies with quick access to the city's urban core. The East End is also home to hundreds of acres of underutilized buildings and undeveloped land. The presence of properties ripe for redevelopment provides opportunities to transform former warehouses and related facilities into creative office environments. Additionally, the relative availability of land eliminates or reduces the cost of parking—a significant expense for firms located in downtown Houston.

Already, the East End has made strides in attracting professional services firms to the district. In recent years, employment growth in the East End has largely occurred outside of its historic commercial and industrial areas of strength. Between 2007 and 2011, for example, Professional & Businesses Services (which includes the Professional Services target industry) employment increased by more than 1,200. No other employment sector in the East End added more jobs during this period.

The East End's ability to capture Professional Services employment has been facilitated by a handful of prescient developers capable of demonstrating the district's value to prospective tenants. At 2311 Canal Street, for example, a former primary school has been transformed into Class A office space serving professional services firms. The building is occupied by a variety of tenants, including a local office of the State of Texas Attorney General. The redevelopment of additional facilities will help fuel further growth of professional services firms throughout the East End.

Top Selling Points

- The East End enjoys close proximity to downtown Houston
- Office rental rates in the East End are less expensive than downtown Houston
- There is an abundance of free parking in the East End
- The Greater East End has numerous buildings available for creative reuse
- Once light rail is completed, the East End will have more mobility choices than most other neighborhoods in the Greater Houston region

Personal Services, Retail & Restaurants

About the Industry

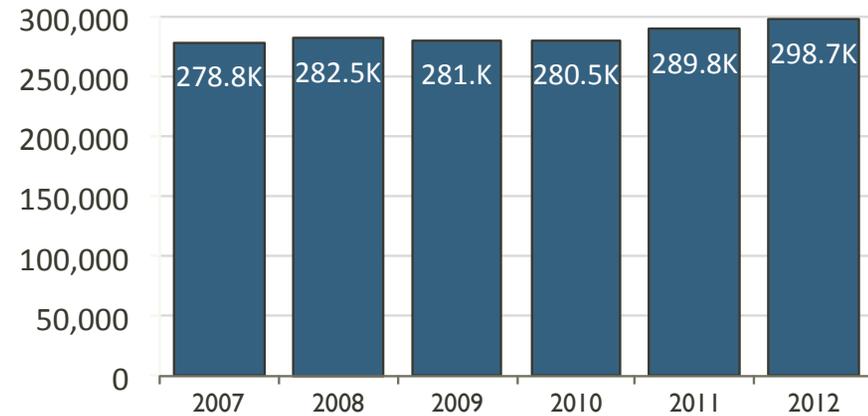
The Personal Services, Retail & Restaurants sector encompasses a wide range of firms that provide lifestyle amenities to both current residents and individuals living outside the East End. Personal Services includes establishments such as laundry cleaning and hair salons. The retail component includes both national chains and independent outlets, selling everything from necessities such as groceries and gasoline to specialty items such as artwork and clothing. For this analysis, fast food outlets are excluded from the restaurant sector. Instead, the focus should be on full-service dining establishments that help attract visitors to the East End.

The global recession abruptly (albeit temporarily) halted employment growth in Personal Services, Retail & Restaurants as declining income levels and plummeting consumer confidence lessened demand for Personal Services, Retail & Restaurants. In subsequent years, both the retail and restaurants subsectors have largely recovered (Personal Services employment remains slightly below pre-recessionary levels).

The resilience of Harris County's economy largely insulated local employment in Personal Services, Retail & Restaurants from the cutbacks experienced in most other parts of the U.S. During the height of the recession, from 2008 to 2010, Personal Services, Retail & Restaurants employment in Harris County contracted less than 1%. Since then, Harris County employment in Personal Services, Retail & Restaurants has experienced strong growth. Between 2010 and 2012, Harris County employment in Personal Services, Retail, and Restaurants grew by nearly 20,000.

Niche sectors within Personal Services, Retail, and Restaurants of particular relevance to the East End include a possible global food market, unique dining options, dry cleaners and salons. These types of businesses either provide basic amenities to existing residents (thus improving the district's quality of life) or provide an opportunity to increase exposure to the East End among outsiders.

HARRIS COUNTY PERSONAL SERVICE, RETAIL & FULL-SERVICE RESTURANT EMPLOYMENT



SOURCE: Bureau of Labor Statistics

Why the East End?

As highlighted earlier, target industries typically include only primary jobs—those that bring new money into a local economy. The selection of Personal Services, Retail & Restaurants as an appropriate target industry is the result of the East End’s rather unique position. Perhaps most importantly, the East End is woefully underserved by personal service and retail outlets. According to a recently completed study commissioned by the Greater East End Management District, each year area residents and workers spent hundreds of millions of dollars outside the community on goods and services. In most cases, these goods and services simply aren’t available within the East End. An increase in the number of Personal Services, Retail & Restaurants establishments would help the East End both capture money that currently leaks out of the community and also support significant employment.

An increase in the availability of Personal Services, Retail & Restaurants in the East End is also critical in improving the community’s quality of life. During interviews and focus group sessions, existing residents and workers repeatedly lamented the lack of more shopping options (especially a grocery store) and the limited number of dining options. Increases in the number of Personal Services, Retail & Restaurants firms within the East End would help support the creation of additional residential units (especially mixed-use development) as well as create new opportunities for local entrepreneurs looking to start their own businesses.

Finally, specific types of Personal Services, Retail & Restaurants—especially a global food market and unique dining options—will provide the East End with much needed marketing exposure. Throughout the strategic input process, residents remarked that outsiders were either unaware of the East End or held a negative perception of the district. Several focus group participants also stated that a visit to the original outpost of the famed Ninfa’s restaurant might be the only direct experience outside residents have of the East End. As Ninfa’s restaurant demonstrates, compelling retail and personal services opportunities can help outside residents discover the hidden gem that is the East End. A global food market, for example, would highlight the East End’s unique cultural heritage, create a compelling destination for outside residents, and provide current residents with an opportunity to purchase groceries within their own community.

Top Selling Points

- The East End already possesses the spending power to support additional Personal Services, Retail & Restaurants firms
- Investment in the East End offers entrepreneurs an opportunity to get in on the ground floor of Houston’s next great neighborhood
- Relatively low wages and real estate costs in the East End make the district cost competitive
- Establishments such as Ninfa’s prove that restaurants in the East End can draw customers from far outside the region

SECTION FOUR: RECOMMENDATIONS

This section provides a more in-depth examination of previously highlighted goals, strategies, and tactics that support the East End's overall economic competitiveness.



Real Estate Development

GOAL 1.0: Residential and commercial development increases along Catalyst Corridors.

The East End is one of the oldest neighborhoods in Houston and it has the infrastructure to prove it. Although the East End has made significant strides in the construction of sidewalks and other streetscape improvements, residents would like to see additional progress. Businesses in the East End are often handicapped by deteriorating roadways and drainage systems. Deficient infrastructure, a product of age and indifference by the City of Houston, pockets much of the East End and is one the greatest barriers to redevelopment of the community. The following recommendations will help spur real estate development of the East End through the identification of infrastructure needs, the creation of financial mechanisms to fund such improvements, and the emergence of an increased awareness of the community's many opportunities.

RECOMMENDATION

Position each Catalyst Corridor for redevelopment.

TACTIC 1.1

Conduct Beautification and Walkability Assessments on Catalyst Corridors. The Greater East End Management District, property owners, and residents share a mutual interest in supporting strategic investments in infrastructure that reduce financial risk for investors and increase the quality of place for those dwelling in the East End. The East Greater East End Management District should meet with relevant stakeholders in each corridor to identify needed streetscape and façade improvements. Given the size of the East End, the significant infrastructure needs of the community, and the finite resources of the Greater East End Management District, assessments should be conducted on one catalyst area at a time.



Best Practice

American Society of Civil Engineers Report Card on American's Infrastructure

Each year, the American Society of Civil Engineers (ASCE) publishes its Report Card on America's Infrastructure, a comprehensive examination of the state of U.S. infrastructure. The most recent 2013 report generated extensive national media attention. More than 30 broadcast news organizations, with collective audiences exceeding 1.3 million viewers, interviewed ASCE representatives. President Obama also cited the report. By bringing national attention to the often ignored issue of infrastructure, ACSE's Report Card ultimately helps inform public policy decisions.

Draft an implementation plan for soft infrastructure investments for each catalyst corridor. Once the Greater East End Management District has completed an assessment on the beautification, walkability, and other soft infrastructure improvements needed within a catalyst area, an implementation plan should be developed. Such an implementation plan should prioritize all potential infrastructure investments based on both stakeholder input as well as expected returns on investment.

TACTIC 1.3 *Create a marketing plan to highlight improvements made to individual corridors and attract capital investment.* After the creation of a beautification and walkability assessment and supporting implementation plan, increasing marketing efforts should be the primary focus of the Greater East End Management District within each catalyst corridor. The Greater East End Management District should actively market improvements made to the catalyst corridors to help spur residential, commercial, and retail investment. Notably, while most identified catalyst corridors will require tactics 1.1 through 1.3, a few corridors must be treated separately due to their unique circumstances. The Second Ward area, for example, has largely completed tactics 1.1 and 1.2. As such, future efforts should be focused on marketing.

TACTIC 1.4 *Improve and promote sites / existing buildings in manufacturing and logistics-targeted corridors.* With a span of manufacturing and logistics sites and existing buildings, Greater East End is in a unique position compared to other central Houston communities. It has the capacity to capture capital investment and new jobs in these two growing industries. These companies are particularly good targets for the East End because their career opportunities suit East End skillsets and training programs.

To maximize this potential, improvements to hard infrastructure (e.g., drainage, roads, rail access) are needed as well as external marketing of the East End to manufacturing and logistics employers. Begin with an assessment of hard infrastructure needs, working with the City, County, Port Authority, developers and property owners to evaluate and address needs. As improvements are made, develop marketing tools such as brochures and webpages to market these sites and existing buildings to developers and industry executives.

TACTIC 1.5 *Finalize and expand economic development programs with the City of Houston.* The Greater East End Management District is currently working on a 380 agreement with the City of Houston that would be administered by the GEEMD. The 380 agreement will allow the Greater East End Management District to offer up to \$30 million in incentives. Finalizing the agreement with the City of Houston will allow the Greater East End Management District to provide the necessary infrastructure to catalyze redevelopment.

The Greater East End Management District should also work with the City of Houston to ensure that the community is well positioned to capture a portion of Rebuild Houston funding. In 2011, the City Council passed a new 'Pay-As-You-Go' funding initiative (named ReBuild Houston) in which new infrastructure projects will be funded with cash. The East End must ensure that its priorities are considered as the City of Houston selects projects to fund. The

Greater East End Management District should present this study to the City of Houston, thus establishing the community's need for greater levels of infrastructure investment. The Greater East End Management District should also advocate city officials to include an economic development requirement for public infrastructure funding considerations.

TACTIC 1.6

Promote the results of the Retail Leakage Study. A recent retail leakage analysis commissioned by the Greater East End Management District found that area residents and workers spend hundreds of millions of dollars each year on goods and services unavailable in the community. The study examined three zones and tallied annual leakage for each area. Annual leakage totals for the Navigation, Harrisburg, and Broadway submarkets were \$162 million, \$275 million, and \$191 million respectively. The Greater East Management District should continue to promote the results of the analysis to prospective real estate developers and potential retail proprietors. Given the lack of awareness of the East End among those outside of the community, the Greater East End Management District should sponsor a half-day developers tour of the East End to help educator developers about opportunities in the community.

Marketing & Branding

GOAL 2.0: The East End has a clearly communicated brand identity that inspires residential and commercial investment.

Historically, individuals outside of the community have largely ignored the East End. If outsiders had an opinion of the area, it was often negative, (especially in the realm of personal safety). Today, however, the East End is actually safer than the city as a whole. Furthermore, the East End has seen significant levels of public and private investment in recent years. With the opening of the newly constructed light rail line, the East End has an opportunity to reintroduce itself to the Greater Houston and prove it is worthy of greater levels of awareness, visitation, and investment.

RECOMMENDATION

Increase awareness of the East End's many amenities and investment opportunities.

TACTIC 2.1

Designate sub-districts by appropriate use. The East End is not only a relatively large area, but it is home to a variety of residential, commercial, and industrial activity. Although the city of Houston famously lacks zoning, there are many areas within the East End that are largely dominated by a single use. The areas adjacent to the Port of Houston are largely industrial. The Harrisburg Boulevard corridor is characterized by less intensive commercial uses. And the entire East End is dotted with large pockets primarily composed of residential units. As future investment within each of these areas is likely to be fueled by specific users, the Greater East End Management District collaborate with existing residents and business owners to devise sub-districts. The creation of distinct sub-districts will help the community devise communication strategies tailored for specific audiences. Like the infrastructure investments, the creation of sub-districts should occur sequentially, beginning with those areas within catalyst corridors with the highest priority.

TACTIC 2.2

Invest in additional signage and street art that clearly delineates the East End. One of the primary reasons for the lack of greater awareness of the East End is that outsiders often don't realize they are in the community. The East End is geographically very large and there very few indicators as to where exactly the neighborhood ends and another one begins. Signage and street art cannot only enliven streetscapes, but also act as signifiers to outsiders that they are in the East End. Community sign toppers, which affix to existing street signs, are a relatively cost effective means of establishing awareness about a community. In most cities, the sponsoring entity simply needs to pay for the cost of manufacturing and installing the sign toppers. Street Art can also serve as a powerful method of establishing a community brand. Currently, the East End's core has relatively few entrances and exists. While limited access may be an obstacle in other areas, it provides an opportunity to place artwork that celebrates the community and makes it clear to visitors that they are entering the East End. The creation of dedicated gateways will better delineate the East End from its neighbors and further underscore the community's distinctiveness.

TACTIC 2.3

Engage in a joint marketing initiative with the Houston East End Chamber of Commerce. As noted earlier, the East End is home to underappreciated amenities and a rich cultural history. The East End, however, has a compelling story to tell. The Greater East End Management District should implement a media relations initiative within the Greater Houston market to communicate this story. The East End, for example, has recently received much positive press attention in local media outlets. The Greater East End Management District should constantly be on the look out for new potential story ideas. The opening of the light rail line, for example, guarantees that local television stations and newspapers will soon turn their attention to the East End. This will be a great opportunity to highlight other improvements currently being implemented in the community and ultimately market the East End as a greater place to live, work, and play.

The Greater East End Management District should also ensure that marketing initiatives are done in collaboration with the Houston East End Chamber of Commerce. One of the reasons other neighborhoods within the region have received more attention (and investment) from the city of Houston than the East End, is that their stakeholders have closely collaborated on lobbying efforts. Currently, there is limited interaction between the Greater East End Management District and the Houston East End Chamber of Commerce. Moving forward, the two organizations must work together to market the region. By investing in unified branding and marketing activities, the two organizations can achieve a greater impact than they otherwise would by working alone.



Best Practice

Wynwood Walls, Miami, Florida

In 2009, several developers were looking for a way to transform Wynwood, a working-class Hispanic neighborhood near downtown Miami. As other developers courted artists looking for affordable gallery space, real estate mogul Tony Goldman focused on redeveloping a cluster of large, windowless warehouses and sewing shops. Goldman eventually decided to allow street artists to work on the facades of six adjacent buildings. The initiative brought together some of the world's best graffiti artists and transformed existing building exteriors into inventive murals. Today, the Wynwood District is one of Miami's most vibrant art and culinary scenes.

Economy

GOAL 3.0: The East End supports the expansion and retention of existing businesses and encourages entrepreneurialism and small business creation.

RECOMMENDATION

Deliver support services to existing businesses and entrepreneurs.

TACTIC 3.1

Business Retention & Expansion Outreach. The East End is home to many significant employers and ensuring their continued success is crucial to the community's economic development efforts. The Greater East End Management District should first identify the 100 largest employers and the 25 largest ratepayers to the District. Once this information has been collected, outreach efforts should commence via an online survey or during in-person visits. The purpose of the outreach is to collect information on company growth plans, possible local deficiencies impeding such growth, and employment totals. The Greater East End Management can also use this survey to create a list of the top 10 infrastructure projects needed within the community. This information should be collected annually and used to advocate for the allocation of ReBuild Houston funds for improvements in the East End.

TACTIC 3.2

Facilitate small business and entrepreneurship programming. While the East End must encourage the creation of additional entrepreneurs, the community is also home to hundreds of existing small businesses. Small business programming typically assist with a variety of services, including business plan development, assistance with navigating city and state regulatory statutes, the identification of potential capital sources, facilitation of networking and mentoring efforts, and educational programming. Fortunately, the East End already home (or in close proximity) to several organizations dedicated to small businesses, including the University of Houston's Wolff Center for Entrepreneurship, Houston Community College's Center for Entrepreneurship, Houston Business Development Inc., and the area's SCORE chapter. The Greater East End Management District should immediately begin partnering with these organizations to bring small business programming and services to small businesses and entrepreneurs in the East End. Host Wolff Center and HCC programming at the Greater East End Management District's offices to make entrepreneurship education more readily available to residents. As the Greater East End Management District secures dedicated economic development funding and the demand for small business support services increases, the Management District can determine if an in-house small business support center is warranted.

Mission Sustainability

GOAL 4.0: The Greater East End Management District will have the full resources needed to lead an ongoing economic development campaign.

Currently, the East End possesses sufficient funding for economic development efforts through 2015. In future years, however, the East End will require a permanently funded economic development organization to advance positive change throughout the community. Given its proven track record of performance, the Greater East End Management District is the obvious home for such an effort.

RECOMMENDATION

Ensure the ability of the Greater East End Management District to continue economic development initiatives.

TACTIC 4.1

Establish a Permanent Source of Economic Development Funding for the East End. In recent years, the Greater East End Management District has been remarkably successful in securing grants to support economic development initiatives. Even in the best of times, such funding is inherently tenuous. With the recent budget battles in Washington, D.C., and strained resources of the federal government, future grant funding is likely to become even more difficult to secure in the years ahead. Given this reality, it is paramount that the East End identifies funding sources for future economic development efforts.

Given the size and overall needs of the community, the East End should strive to maintain the resources for three years of economic development efforts. This funding could be obtained via the creation of a membership-based organization similar to the operation of a business improvement district, as well as grant funding and support from the City of Houston.