

*small city, big heart* ♥  
**Huntsville**  
**Economic Development**

**City of Huntsville**  
**2020 - 2023 Strategic Plan**

**City of Huntsville**

**Adopted: June 2, 2020**

## **Summary**

An Economic Development (ED) Strategic Plan from 2007 and a 2020 Huntsville City Council's Strategic Plan currently guide economic development efforts. The City of Huntsville has successfully implemented many goals and projects identified in those plans.

In October 2019, the City of Huntsville began a 3-year strategic planning process for FY 2020-2023. The development of an updated strategic plan and implementation of new and revised recommendations will allow the City to take a fresh look at its economic development strategies as it seeks to increase opportunities for growth for existing businesses, attract new businesses and employment opportunities through incentives and other recruitment tools, and provide local employment for the city and region's well-qualified workforce.

The Economic Development Strategic Plan will be adopted by the Huntsville City Council and will help to guide responses to future economic development projects.

### **Related Documents**

- Huntsville City Council Strategic Plan 2020
- Economic Development Strategic Plan 2007
- Harnessing Huntsville's Potential Report 2013

## **International Economic Development Council**

The City of Huntsville sought out assistance from the International Economic Development Council (IEDC) to assist in the development of a new economic development strategic plan.

The IEDC professional was tasked to prepare a plan that includes a vision and mission statements, inventories assets, notes opportunities, reviews existing plans, and evaluates development goals and strategies.

The process began with preliminary meetings between the IEDC facilitator, the City of Huntsville staff and community stakeholders to discuss key economic development issues facing Huntsville, review the programs and projects underway, and to prepare the agenda and format for the interactive sessions. After compiling the notes from the sessions, the IEDC professional passed along these notes to City staff who then completed the construction of this strategic plan.

<b>3-5 Year Action Plan Discussions   Schedule of Meetings &amp; Participants</b>	
<b>Tuesday, October 22, 2019</b>	
4:00 – 6:00 PM	Tour of Huntsville
<b>Wednesday, October 23, 2019</b>	
8:30 – 10:00 AM	City Administrative Staff
10:30 AM – 12:00 PM	City Boards/Commission
1:30 – 3:00 PM	SHSU & TDCJ
3:30 – 5:00 PM	Local Developers/Landowners
<b>Thursday, October 24, 2019</b>	
8:00 – 9:30 AM	Chamber LEADS Group
9:30 – 11:30 AM	Chamber Staff & Board Members
12:00 – 1:30 PM	Community Leaders (Lunch)
2:00 – 3:30 PM	Primary Businesses
4:00 – 6:00 PM	City Council
<b>Friday, October 25, 2019</b>	
8:00 AM	Wrap Up

**Discussion Items with Stakeholders**

**General**

- What do you see as Huntsville’s biggest:
  - Economic Strength? Why?
  - Economic Opportunity? How?
  - Constraint or limitation to Economic Growth? Why?
- What two or three local/regional actions, policies or endeavors could help your business/organization prosper/grow over the next 3 to 5 years?
- Metro Houston is growing towards Huntsville, what should the City do to assure prosperity while at the same time retain the City’s quality of life and uniqueness?
- If you had to choose, would you rather have more basic employers/good paying jobs or more retail and tourism-based businesses in Huntsville?
- In 5 years, what will indicate to you that the City of Huntsville is achieving greater Economic Sustainability?

**Developers/Commercial Real Estate Brokers**

- What are the constraints to development in the Huntsville area? Utilities, access to land, code issues, other? Please give specifics.
- What is Huntsville’s reputation/image in the commercial real estate and development community? What if anything should the City do to improve that image?

## **About Huntsville**

Located at the edge of the Piney Woods in East Texas, Huntsville has historically been recognized as the face of the Texas Criminal Justice system. Though it prides itself in being the location of the only state agency located outside of the state's capital, being a "prison city" has not always positively impacted Huntsville's external perception. The image of Huntsville as a small, isolated prison town is already out of date. For years now, the community has seen many developments spread north out of the Greater Houston area. In addition, Huntsville enjoys the enviable position of being home to a growing higher education institution, Sam Houston State University (SHSU).

Huntsville's community and business leadership should recognize that the community lies directly in the path of growth – bringing with it both great opportunities and challenges. Future expansions in business and housing are obvious opportunities, but there also exists the challenge of diversifying Huntsville's tax base. Having the unique population of students, citizens, and offenders fosters a tax base that is wholly unrepresentative of the total amount of people that reside in Huntsville. Likewise, protecting the community's quality of life, promoting the prosperity of its citizens, and strengthening the tourism and entertainment industry will be Huntsville's greatest challenges in the coming years. In other words, managing Huntsville's growth and maximizing development opportunities will be the key to promoting long-term economic growth and vitality.

This strategic planning document is meant to serve as a guide for the City Council and Economic Development Department to develop ways to expand Huntsville's economy and outside perception with a succinct method of articulating to staff the policy direction for the City of Huntsville, both as a community and an organization. This strategic plan will also communicate to residents and community partners the Economic Development Department's commitment to open government, communication, collaboration, and cooperation among all who live, work, recreate, educate, or operate a business in Huntsville. Finally, this strategic plan is meant to provide a road map for success that will lead families and new businesses to Huntsville to join an outstanding community where good governance and sound management provide the best that life has to offer.

## **Vision**

The City of Huntsville will be a competitor in the economic development arena by providing opportunities for development without compromising its core values and quality of life.

## **Mission**

In order to maintain and enhance the quality of life and the achievement of our vision, the Department of Economic Development provides, facilitates and regulates services relating to business growth and retention, tourism promotion, and citizen outreach, in a friendly and competent manner with quality and forethought.



## **Key Metrics for Huntsville**

As Huntsville seeks to prosper, there is a set of key indicators that should be kept front of mind. These are important metrics that the City must ultimately seek to improve and should be considered as part of any future initiative undertaken by the City.

- Economic Condition of the City
  - Growth in Employment
  - Growth in Annual Payroll
  - Growth in the Number of Business Establishments
  
- Resident Economic Well-Being
  - Growth in Per Capita Income
  - Growth in Median Household Income
  - Reduced Poverty Rate
  - Declining Unemployment Rates
  - Increased Labor-force

## Demographics

The City of Huntsville has collected and analyzed data from different sources to capture a better understanding of our population and demographics. The City and its partners can provide essential information to site selectors and other interested parties to help them make their best decision for site location. The population in Huntsville is growing which leads to more people available to work, an important aspect for businesses to be successful. There are more men compared to women and the median age is 28. The labor force, which is the amount of people ready and available to work, is also growing in Huntsville. Wages have also been steadily rising in Huntsville as well as employment. The average household income in Walker County is \$45,686 per year and is still increasing. Overall, statewide employment is expected to increase approximately 20 percent during the next ten years, according to a leading economic forecasting firm. This growth, however, is not expected to occur equally across all economic sectors. Three services providing sectors (Professional and Business Services, Health Services, and Leisure and Hospitality) are expected to enjoy growth at substantially higher rates than the state's overall economy.

To every family, education is a very important aspect of their life. As evidenced in the following graphs, Huntsville's Education can compete with the surrounding areas. Huntsville has a fantastic K-12 school district and is also home to Sam Houston State University, one of the top universities in Texas.

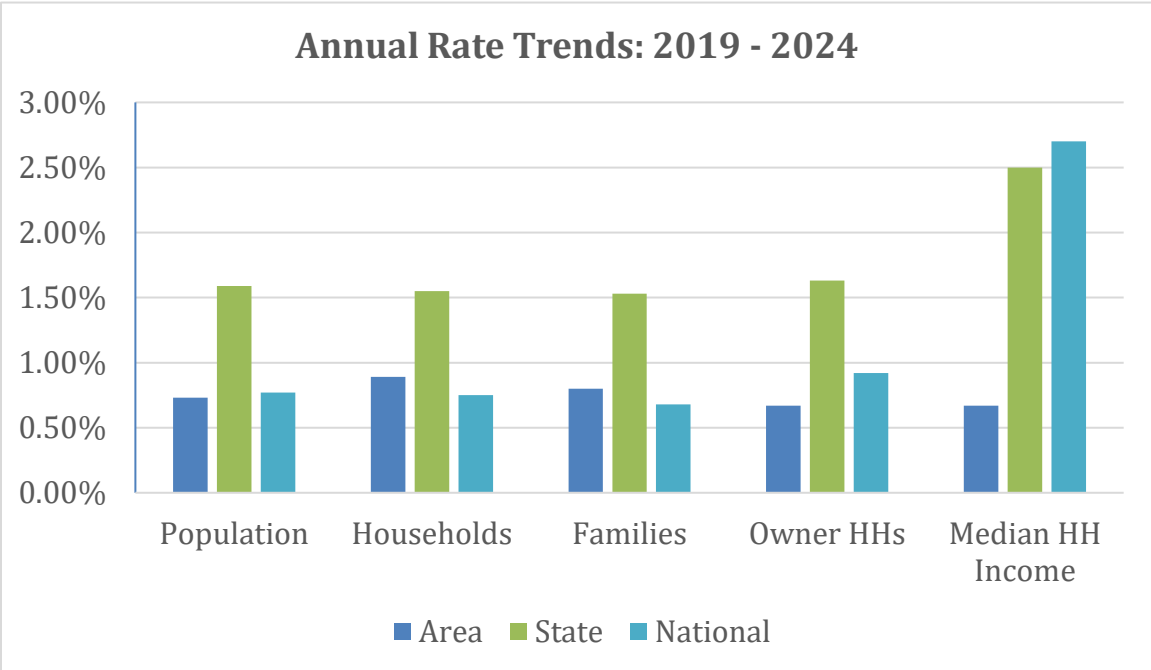
The current year population is 42,462. In 2010, the Census count in the area was 38,548. The rate of change since 2010 was 0.71% annually. The five-year projection for the population in the area is 44,039 representing a change of 0.61% annually from 2019 to 2024. The racial makeup of Huntsville in 2019 was 61.1% White, 25.4% African American, 0.4% Native American, 1.4% Asian and Pacific Islander, 7.9% from other races, and 2.2% from two or more races. Hispanic or Latino of any race were 18.7% of the population. The language spoken in the majority of households in Huntsville is English at 75%. Other languages (such as Spanish) are all lower than 10%.

## Demographic & Income Profile

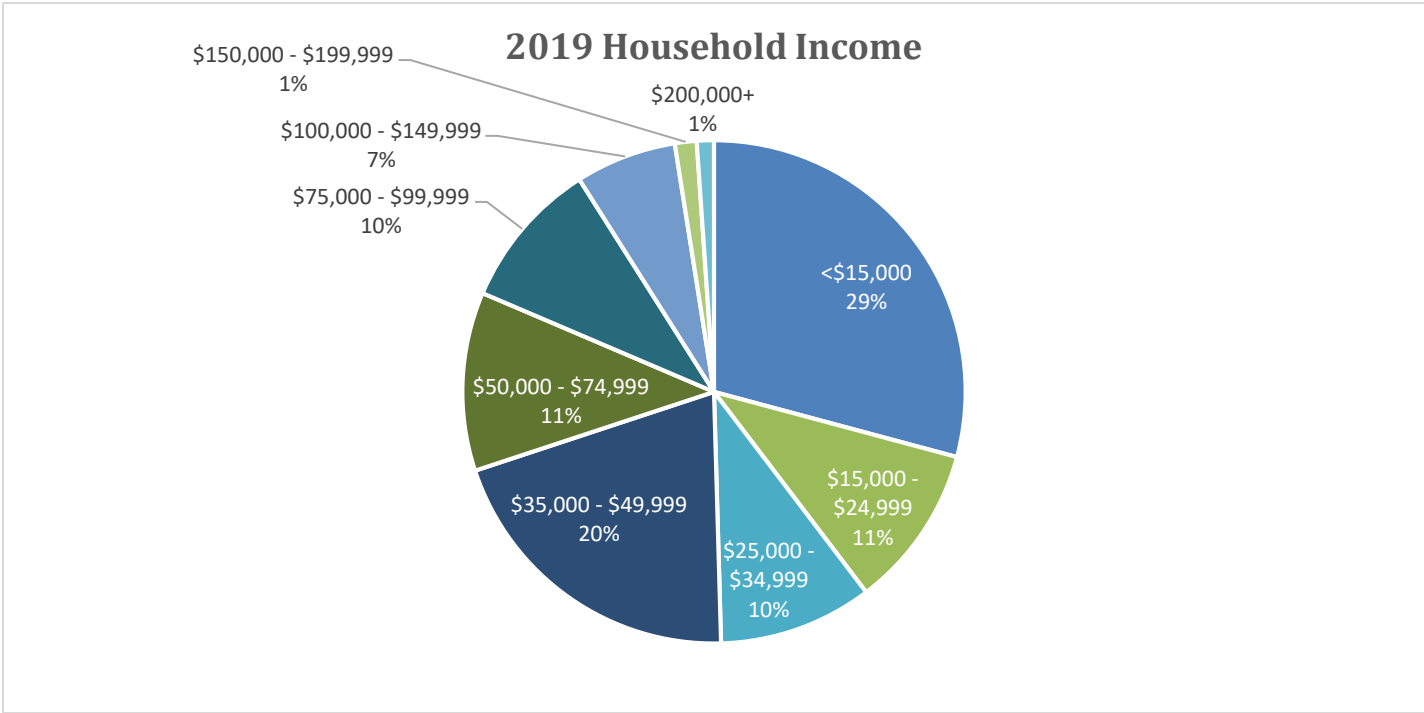
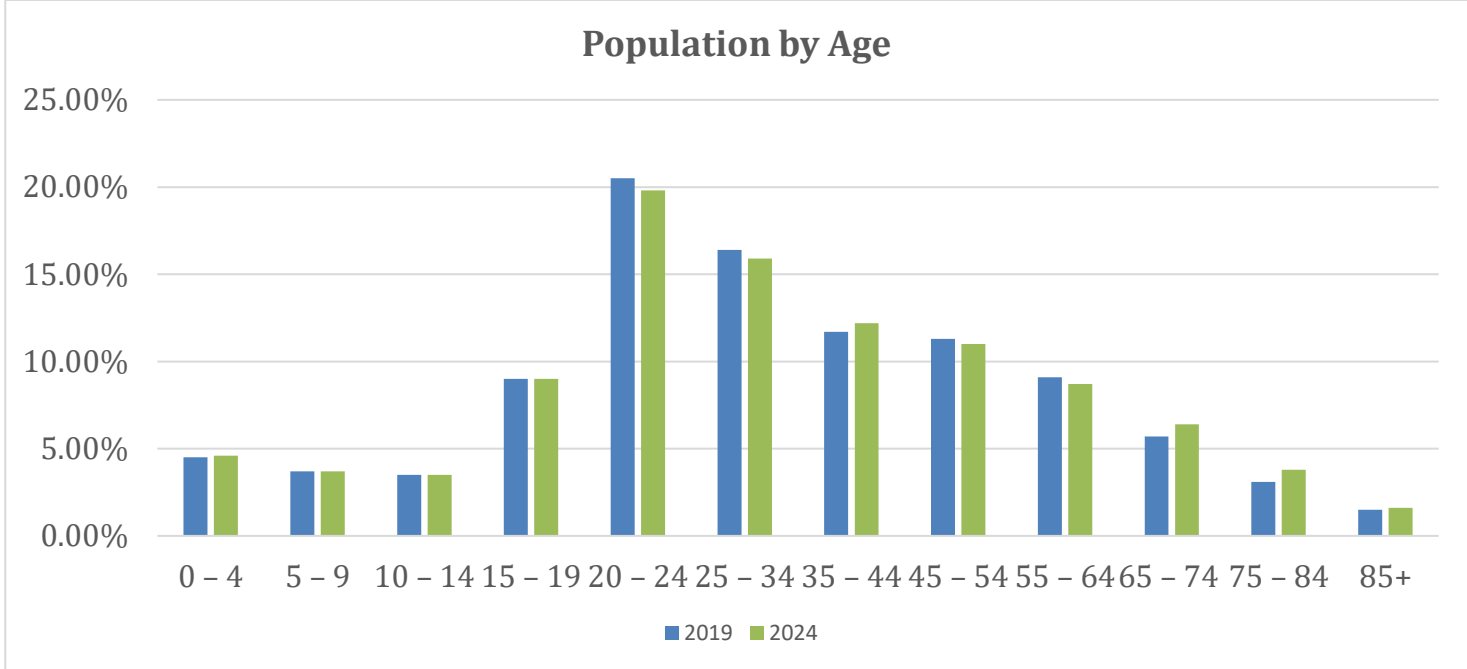
Summary		Census 2010	2019	2024		
Population		38,548	42,462	44,039		
Households		11,761	13,192	13,792		
Families		5,759	6,409	6,670		
Average Household Size		2.32	2.37	2.38		
Owner Occupied Housing Units		4,445	4,209	4,351		
Renter Occupied Housing Units		7,346	8,983	9,441		
Median Age		28.8	29.6	30.2		
Trends: 2019 - 2024 Annual Rate		Area	State	National		
Population		0.73%	1.59%	0.77%		
Households		0.89%	1.55%	0.75%		
Families		0.80%	1.53%	0.68%		
Owner Occupied Households		0.67%	1.63%	0.92%		
Median Household Income		0.67%	2.50%	2.70%		
Households by Income	2019		2024			
	Number	Percent	Number	Percent		
<\$15,000	3,845	29.2%	3,625	26.3%		
\$15,000 - \$24,999	1,380	10.5%	1,485	10.8%		
\$25,000 - \$34,999	1,300	9.9%	1,370	9.9%		
\$35,000 - \$49,999	2,685	20.4%	2,936	21.3%		
\$50,000 - \$74,999	1,518	11.5%	1,618	11.7%		
\$75,000 - \$99,999	1,272	9.6%	1,378	10.0%		
\$100,000 - \$149,999	857	6.5%	1,001	7.3%		
\$150,000 - \$199,999	185	1.4%	226	1.6%		
\$200,000+	141	1.1%	145	1.1%		
		2019	2024			
Median Household Income		\$35,244	\$36,439			
Average Household Income		\$45,686	\$49,440			
Per Capita Income		\$14,880	\$16,169			
Population by Age	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,812	4.7%	1,894	4.5%	2,029	4.6%
5 - 9	1,381	3.6%	1,552	3.7%	1,611	3.7%
10 - 14	1,317	3.4%	1,478	3.5%	1,563	3.5%
15 - 19	3,746	9.7%	3,810	9.0%	3,947	9.0%
20 - 24	8,417	21.8%	8,713	20.5%	8,719	19.8%
25 - 34	5,929	15.4%	6,977	16.4%	6,988	15.9%
35 - 44	4,704	12.2%	4,987	11.7%	5,352	12.2%
45 - 54	4,775	12.4%	4,818	11.3%	4,839	11.0%
55 - 64	9,198	8.3%	3,845	9.1%	3,826	8.7%
65 - 74	1,737	4.5%	2,430	5.7%	2,810	6.4%
75 - 84	1,058	2.7%	1,336	3.1%	1,661	3.8%
85+	471	1.2%	620	1.5%	669	1.6%

Race and Ethnicity	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
White Alone	24,152	62.7%	25,925	61.1%	26,345	59.8%
Black Alone	9,799	25.4%	10,921	25.7%	11,383	25.8%
American Indian Alone	160	0.4%	184	0.4%	202	0.5%
Asian Alone	523	1.4%	699	1.6%	810	1.8%
Pacific Islander Alone	21	0.1%	46	0.1%	59	0.1%
Some Other Race Alone	3,060	7.9%	3,669	8.6%	4,110	9.3%
Two or More Races	833	2.2%	1,019	2.4%	1,130	2.6%
Hispanic Origin (Any Race)	7,211	18.7%	8,642	20.4%	9,459	21.5%

**Data Note: Income is expressed in current dollars.**  
**Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024**







## SWOT Analysis

The facilitator conducted a Strengths, Weaknesses, Opportunities, and Threats analysis for Huntsville to create a framework for understanding the area’s issues. The following table captures the major findings from this analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• People – alumni, youth</li> <li>• Well-planned water resources</li> <li>• Sam Houston State University</li> <li>• Texas Department of Criminal Justice</li> <li>• Location</li> <li>• Low tax rate</li> <li>• Specific retail markets</li> <li>• Educated workforce</li> <li>• Quality of life</li> <li>• Natural resources</li> <li>• Wineries</li> <li>• Affordable land costs</li> <li>• Rich in history/uniqueness</li> <li>• Infrastructure for future growth</li> <li>• Water supply</li> <li>• Climate</li> <li>• Recreational and tourism assets</li> <li>• Safe community</li> <li>• Affordable cost of living</li> <li>• Community pride</li> </ul>	<ul style="list-style-type: none"> <li>• Outside perception</li> <li>• Limited job market</li> <li>• Historical hardships</li> <li>• Business risk</li> <li>• Housing</li> <li>• State-owned property</li> <li>• Private landowners with large parcels of land</li> <li>• Lack of diversified workforce</li> <li>• Lack of venues and “experiences” for socializing</li> <li>• HISD performance reputation</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Population growth</li> <li>• Enrollment growth at SHSU</li> <li>• Prime location between Houston and Dallas</li> <li>• Natural environment</li> <li>• Rich in uniqueness and history</li> <li>• Interstate expansion</li> <li>• Housing</li> <li>• Tourism attraction</li> <li>• Economic development players working together</li> <li>• Downtown revitalization</li> <li>• Bruce Brothers Huntsville Regional Airport</li> </ul>	<ul style="list-style-type: none"> <li>• Unmanaged population growth</li> <li>• Accommodating student population growth</li> <li>• Lack of public transportation</li> <li>• Loss of greenspace and forests</li> <li>• Outside negative perceptions based on limited information</li> <li>• Hospital instability</li> <li>• HISD salaries</li> <li>• Tax exempt properties</li> <li>• Commuter university</li> </ul>

## **Goals and Strategies**

### **Goal 1 | Promote ED opportunities presented by the presence of SHSU**

- Promote entrepreneurship
- Leverage the future development of the SHSU technology park
- Retain graduates and attract alumni investment
- Take advantage of the increasing student population

### **Goal 2 | Leverage the presence of TDCJ to expand ED opportunities**

- Leverage purchasing power of TDCJ to source suppliers
- Assist in recruiting workforce through leveraging housing opportunities
- Evaluate TDCJ use of properties

### **Goal 3 | Promote the growth of downtown focusing on opportunities to create a welcoming environment for residents and students**

- Take advantage of the existing entertainment and cultural opportunities
- Improve infrastructure connecting downtown and the university
- Maintain and enhance economic vitality downtown
- Establish downtown as a destination for opportunities

### **Goal 4 | Support the retention and expansion of existing businesses in Huntsville**

- Explore incentives for business expansion and retention
- Have an increased presence in the business community to better understand existing conditions and future opportunities

### **Goal 5 | Increase the number and diversity of housing opportunities in Huntsville**

- Support the development of attainable affordable housing
- Promote the development of all ranges of housing to meet existing demand

### **Goal 6 | Promote the development of a business/industrial park to increase competitiveness in the recruitment of new businesses**

- Investigate the possibilities of creating a business park either publicly or privately
- Explore the possibility of public/private partnerships (P3s) to provide the necessary infrastructure for park creation

### **Goal 7 | Support excellence in the school system**

- Market the educational assets
- Enhance the partnerships between the schools and the university
- Explore opportunities for blue collar skills development
- Advocate for adequate funding for the schools

### **Goal 8 | Identify and promote the image of Huntsville as a tourist destination through marketing**

- Build a consensus for a consistent message to market the community
- Build awareness of this new theme for current residents and leaders

# Strategic Plan

## Year 1

- **Disaster Recovery & Community Resiliency:** Implement efforts to reduce vulnerability, where possible, to these events and speed the rate of recovery.
  - Conduct economic vulnerability assessments for natural disasters
  - Improve communication, coordination, and cooperation between the businesses, government, and nonprofit sectors in times of disasters
  
- **Economic Development Marketing & Communications Plan:** Develop an overall plan that addresses all of Huntsville's ED endeavors and better communicates the opportunity and astuteness of the City.
  - Promote a positive brand identity
  - Develop Stand Alone ED Website to include:
    - Site selector info
    - Quality of life
    - Retail & restaurant recruitment
    - Business services for existing businesses
  - Evaluate the use of social media as a means to further Economic Development efforts
  
- **Business Retention:** Develop an ongoing business retention effort that coordinates with community partners. Include:
  - Primary Employer Database
  - Executive Roundtable
  - Mom & Pop Retention Efforts
  - Small Business Grants
  
- **Business Recruitment:** Begin building coalitions, research base, relationships, and general long-term foundation for economic growth over time. Include:
  - SHSU, Airport, & TDCJ: begin discussions about land, crossover projects, short/long term funding mechanisms.
  - Conference Center/Full-Service Hotel Recruitment
  - Do Focused Industry Research to determine needs and recruit ability factors
  - Look into facilitating shared workspace opportunity in Downtown (encourage entrepreneurial activity and people in downtown)

## Year 2

- **Organizational Structure Development:** Put in place and provide long term funding for a fully staffed ED staff to address the following:
  - Primary Employment retention & recruitment
  - Retail & Restaurant retention & recruitment
  - Tourism, Downtown & Events
  - Marketing, Communications & Research

- Long Term Business Development (technology, industrial, event centers, airport, coalition building)
- **Other Efforts:**
  - **Form Economic Development Coalition (EDC):** Put together a group of people to meet monthly to discuss ongoing Huntsville area economic development endeavors.
    - Groom the Coalition so that they can:
      - Be a resource and supporter of the long-term EDC efforts,
      - Be quickly responsive when a Prospect is in hand
      - Troubleshoot and resolve issues (development, complaints, etc.) as needed
      - Understand “who does what” concerning the various EDC endeavors
      - Engage as an Economic Development Partner
    - Include entities such as:
      - City Planning/Development/GIS
      - City Engineering/Transportation
      - Chamber of Commerce
      - Tourism
      - Small Business Development Center
  - **Benchmark Cities:** Select cities that have attributes that Huntsville would like to emulate. Visit them, meet with staff/leaders to determine how they accomplished their success and what problems they had. Determine what might work for Huntsville.
    - Towns mentioned during interviews include:
      - College Station, Texas
      - Bryan, Texas
      - Denton, Texas
      - Oxford, Mississippi
      - San Marcos, Texas
      - Fredericksburg, Texas
      - Sugarland, Texas
- **Identify and Establish:** Responsibly develop identified economic opportunity areas.
  - **Identify and Establish the following where appropriate:**
    - Traditional Zoning Districts
    - Neighborhood Empowerment Zones
    - Reinvestment Zones
    - Enterprise Zones
    - Tax Increment Reinvestment Zones
    - Opportunity Zones
    - Foreign Trade Zones
    - Public Improvement Districts
    - Municipal Management Districts

## **Year 3:**

- **Promote and Protect the IH 45 Corridors:**
  - Maintain high quality development to ensure Huntsville’s commercial frontage creates a strong identity along the major corridor
  - Support amendments in development codes which encourage a quality and character of development that is market-supported yet superior to what exists today
  - Maintain data on existing retail to be proactive in addressing any potential loss of retailers in the City
  - Prepare a redevelopment strategy for the reinvention and retention of businesses in more established commercial locations
- **Achieve Regional, State, and National Recognition**
  - Support efforts to maintain rankings as “One of the Cities to Start a Small Business”, “One in the United States for a Business Environment”, and “One of the Best Cities for Veterans Seeking Higher Education”
  - Support efforts to achieve new recognitions such as “Safe City”, “Best Place to Live”, and “Best Small City to Relocate To”
- **Reassess, and Plan for next 3-5 Years**
  - Determine what approach is appropriate for formulating the next Economic Development Strategic Plan