

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CITY OF WACO CITY COUNCIL

DISCOVERY FINDINGS

AGENDA

- ▶ Project Overview
- ▶ Discovery Findings
- ▶ Proposed Framework
- ▶ Next Steps

OBJECTIVES

- ▶ Share quantitative and qualitative findings
- ▶ Introduce guiding principles and goal areas
- ▶ Receive feedback



PROJECT OVERVIEW

PROJECT GOAL

An actionable 10-year strategic plan to spur investment and development in Waco while creating an inclusive environment that supports the retention and attraction of businesses, entrepreneurs, and talent.

SPECIFIC CONSIDERATIONS

Businesses Attraction & Retention

- ▶ Targeted and actionable **business recruitment strategy**
- ▶ Expand **support to existing industries**
- ▶ Create a next generation approach to **economic development incentives**

Entrepreneurs & Small Business

- ▶ Evaluate and improve the ecosystem that best supports an **inclusive environment for entrepreneurs and small businesses** which includes programs, incentives, and actionable next steps

Quality of Place

- ▶ Develop a **specific economic development strategy for Downtown Waco** that:
 - ▶ Provides for generating ground-up development of **new offices and headquarters**
 - ▶ The **rehabilitation of downtown buildings and parking lots** with particular focus on publicly held or controlled properties
- ▶ Develop **placemaking strategies** that enhance the City of Waco as a preferred location for business

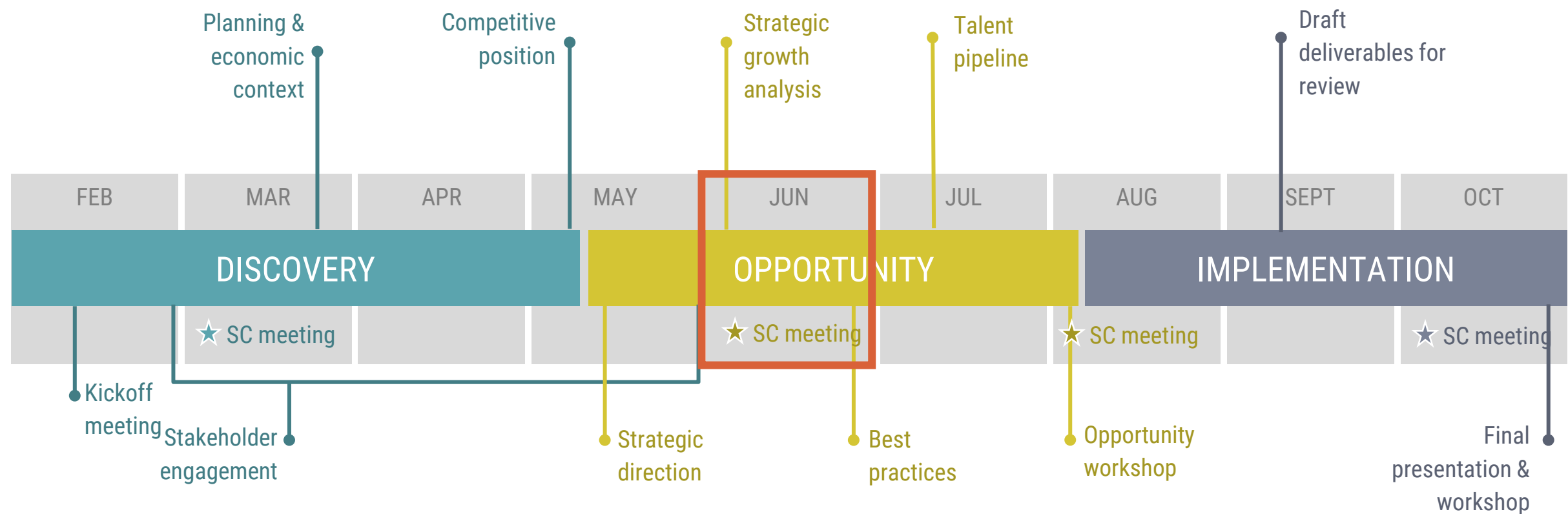
Talent & Workforce

- ▶ Create a **workforce skill enhancement strategy** that calculates and responds to potential threats of modernization and automation

Resource Alignment

- ▶ Create more **responsive, cost-effective, and streamlined city processes** and policies to attract and grow investment and development in the city
- ▶ **Align** the work plans of the **three chambers of commerce**
- ▶ **Align** the **plan with initiatives at Baylor** University with a focus on Innovation

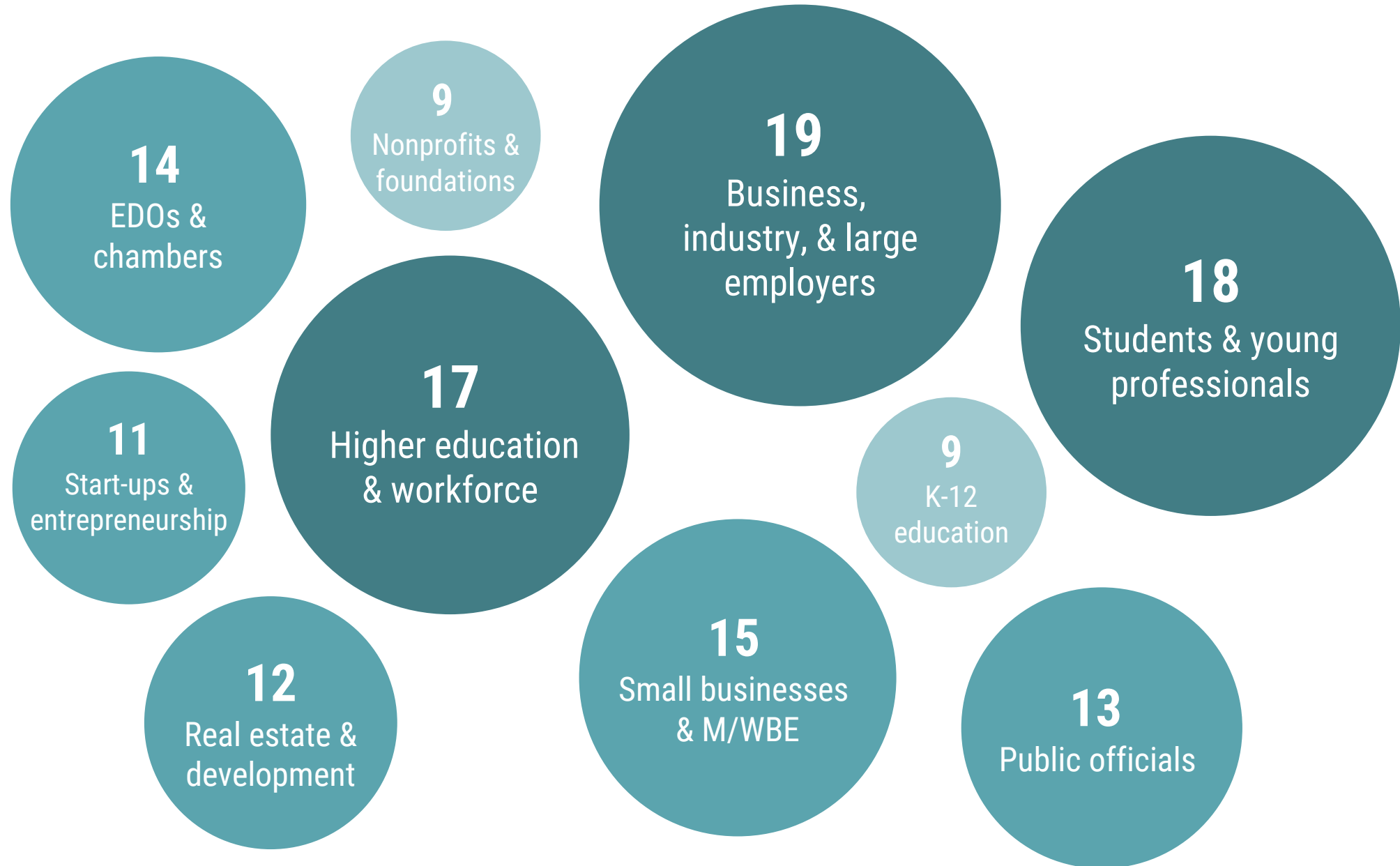
PROJECT SCHEDULE



NOTE: TIP has a production process that should be factored into timelines for the development of deliverables. This process includes professional proofreading and design. The time required for production may vary based on the type of deliverable, planned uses and audiences, and amount of content.

DISCOVERY FINDINGS

DISCUSSIONS HAVE INCLUDED



THINGS PEOPLE LOVE ABOUT WACO

amenities
opportunity affordability
community
quality of life
small town feel
the people

STAKEHOLDER ENGAGEMENT KEY TAKEAWAYS

Waco's greatest strengths are its sense of place, community, and opportunities

- ▶ Waco is a great place, offering a high quality of life and small-town feel
- ▶ Economic success is built on good-faith relationships between organizations and individuals
- ▶ Waco's story could be better communicated to residents and to those outside the community

There is tension between growth and preserving Waco as it is today

- ▶ Growing pains in housing affordability, infrastructure, and economic opportunity
- ▶ Changes in the workforce: mismatch between available jobs and skills or availability of local talent
- ▶ Desire for equitable growth, ensuring that everyone can access economic opportunity

Real estate development and redevelopment projects are changing the community

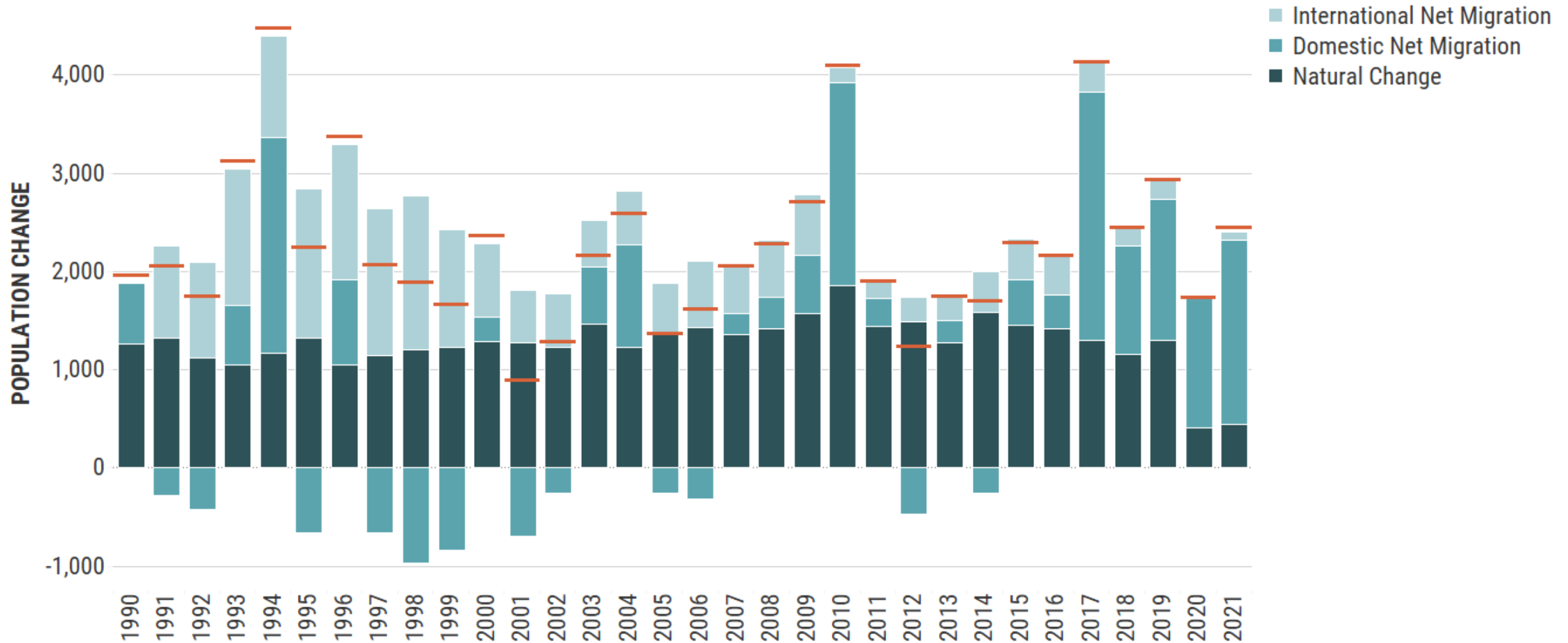
- ▶ Investments along the Brazos riverfront, including the Baylor basketball arena and pavilion
- ▶ Current + planned developments downtown and along corridors such as La Salle Ave and 25th St
- ▶ Investment is needed and should be done in consultation with residents, not at their expense

Economic tools and strategies are somewhat fragmented

- ▶ Local economic development organizations work well together and are looking for new ways to coordinate efforts
- ▶ The small business, entrepreneur, and start-up ecosystems need additional support
- ▶ The speed of change can make understanding priorities, roles, and responsibilities difficult

WACO CONTINUES TO GROW

Population growth is driven by domestic in-migration



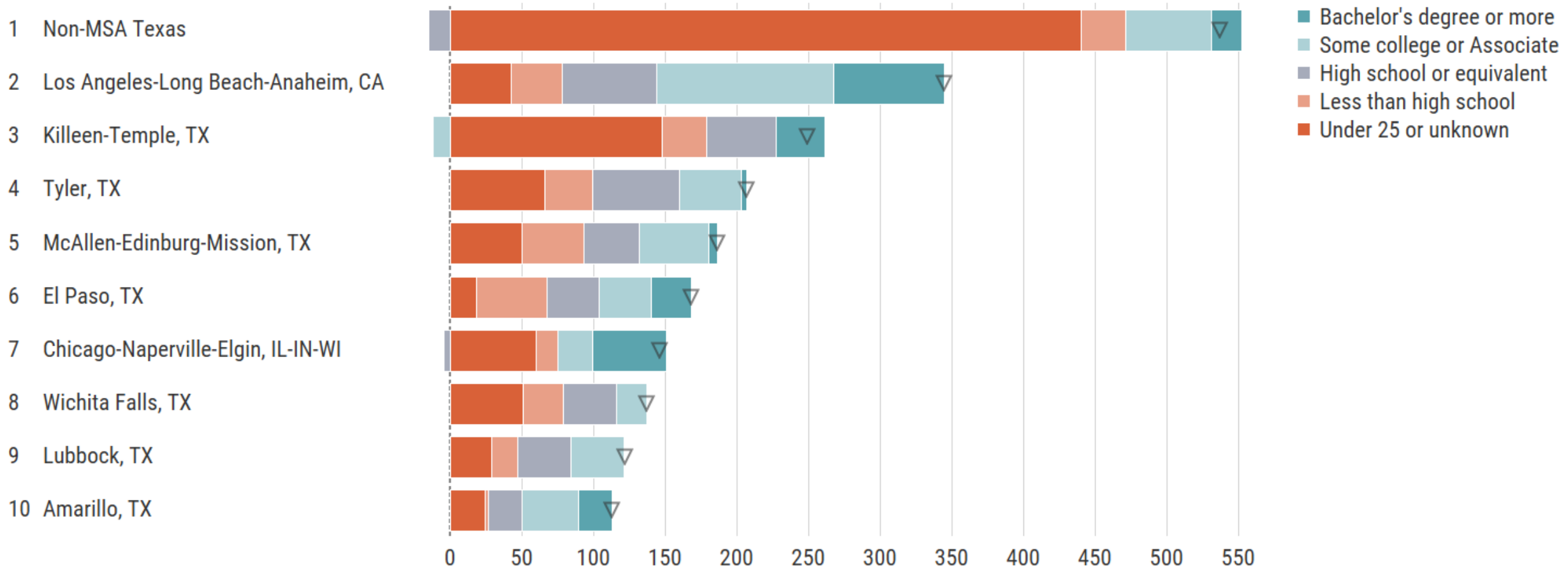
Notes: *Natural Change* is the difference between annual births and deaths. Total population change includes a residual (a change in population that cannot be attributed to any specific demographic component). Residual change is not shown in the chart but is included in the net population change shown by the red bars. 2010 and 2020 components are estimated based on a 12-month projection of the 2nd quarter (the period between the Census and the mid-year estimate) that is not seasonally adjusted.

Source: US Census Bureau, Population Estimates Program; Moody's Analytics; TIP Strategies, Inc.

WORKERS ARE LIKELY TO COME FROM NON-MSA AREAS IN TEXAS...

Inbound worker migration

TOP 10 REGION SOURCES OF INCOMING NET WORKERS TO WACO, TX 2010-2020 BY EDUCATION LEVEL

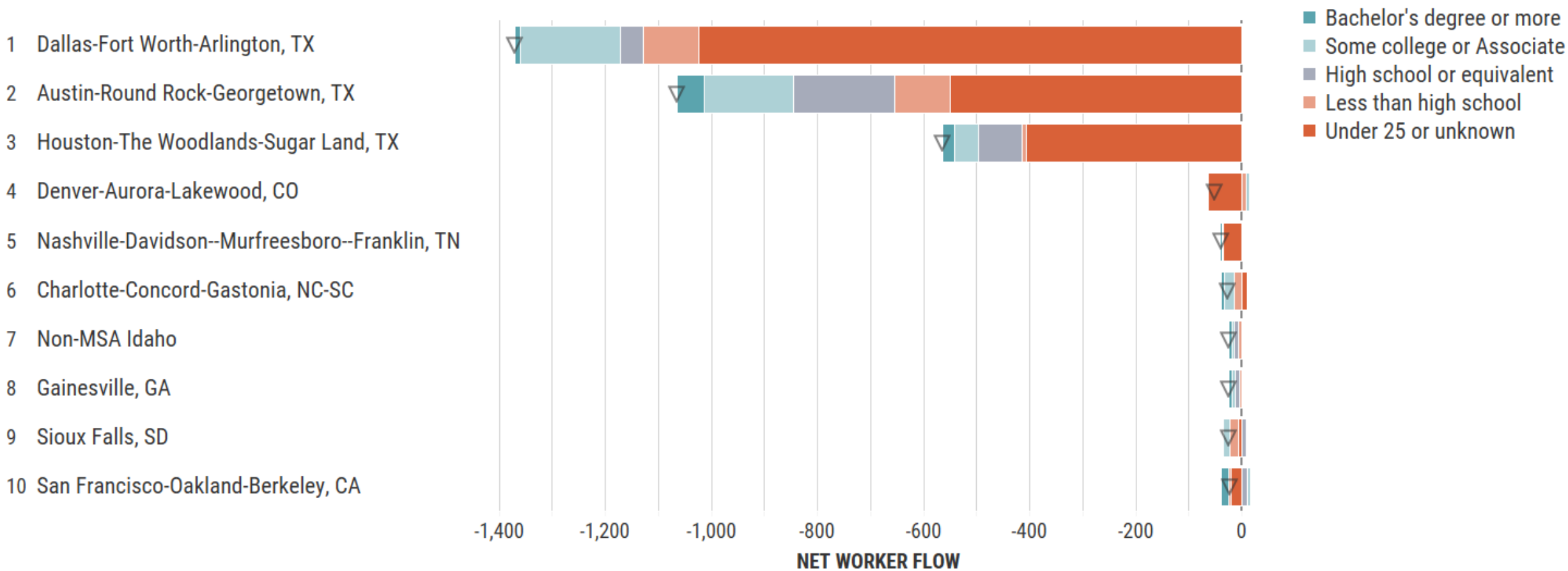


Notes: Data include hires and separations of workers between establishments who experienced brief unemployment (one quarter or less). Only establishments with unemployment insurance (UI) covered employees are included. Educational attainment only available for workers age 25 or older. Non-MSA regions include all counties in a state not part of a metropolitan statistical area (MSA); this includes counties in micropolitan areas and rural counties. Some states are missing data for the most recent period and are limited to previous quarters (AK-2016.1; AR-2018.1; MS-2018.1; TN-2018.1; CO-2020.2; KS, LA, MO, OK-2020.3). Source: US Census Bureau's Longitudinal Employer-Household Dynamics (LEHD), Job-to-Job Flows (J2J); TIP Strategies, Inc.

... AND LEAVE FOR BIGGER TEXAS CITIES

Outbound worker migration

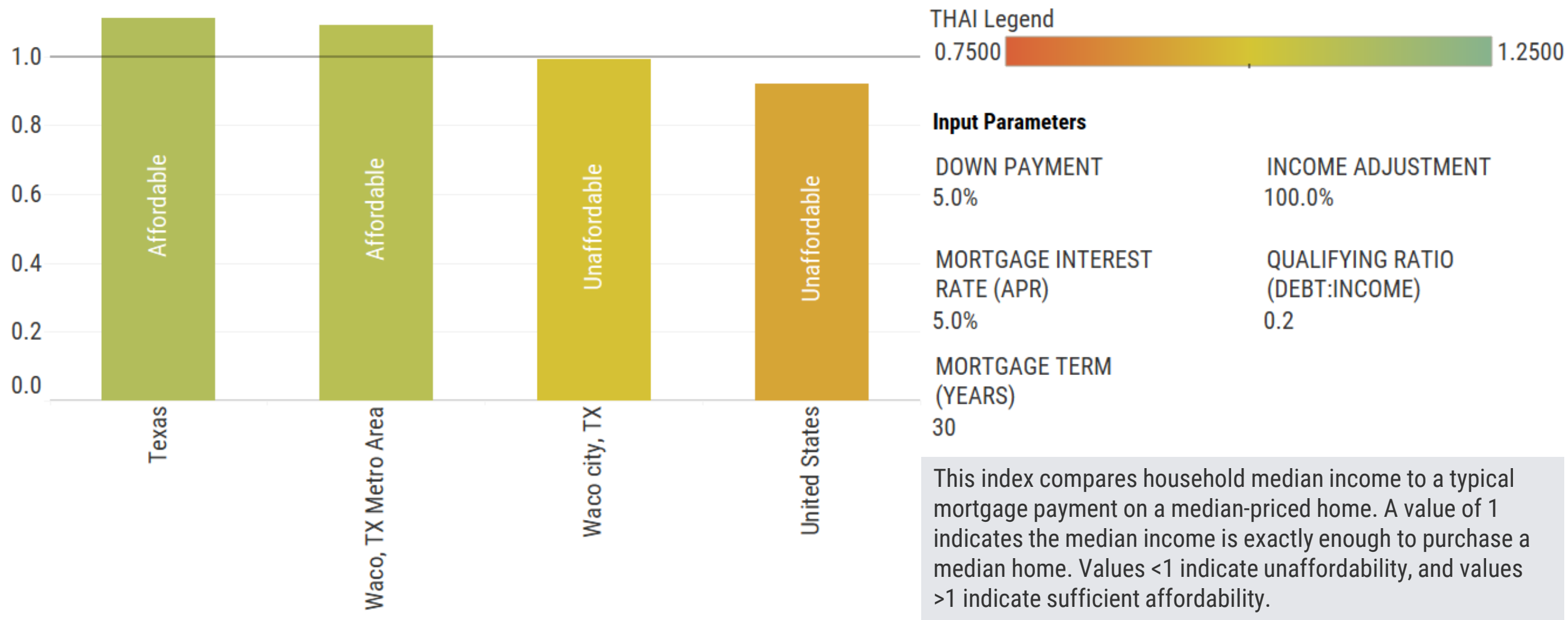
BOTTOM 10 REGION DESTINATIONS OF OUTGOING NET WORKERS FROM WACO, TX 2010-2020 BY EDUCATION LEVEL



Notes: Data include hires and separations of workers between establishments who experienced brief unemployment (one quarter or less). Only establishments with unemployment insurance (UI) covered employees are included. Educational attainment only available for workers age 25 or older. Non-MSA regions include all counties in a state not part of a metropolitan statistical area (MSA); this includes counties in micropolitan areas and rural counties. Some states are missing data for the most recent period and are limited to previous quarters (AK-2016.1; AR-2018.1; MS-2018.1; TN-2018.1; CO-2020.2; KS, LA, MO, OK-2020.3). Source: US Census Bureau's Longitudinal Employer-Household Dynamics (LEHD), Job-to-Job Flows (J2J); TIP Strategies, Inc.

RISING MORTGAGE RATES THREATEN WACO'S AFFORDABILITY

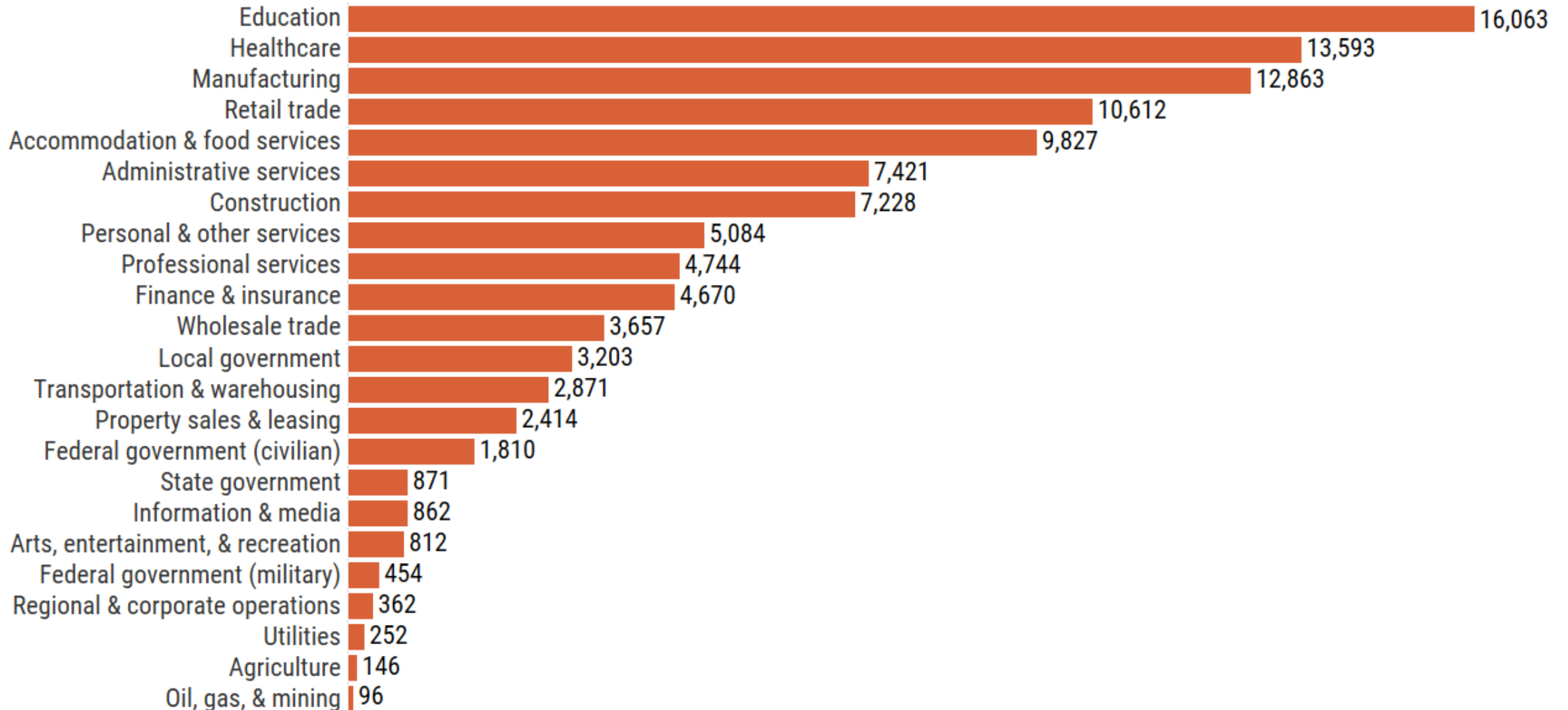
Texas A&M Housing Affordability, 2020



Notes: The THAI was adapted from Texas A&M University's Real Estate Center by TIP Strategies, Inc. Mortgage payments only include the monthly payments on the loan (does *not* include insurance or tax payments). *Down Payment* is the percentage of the home value paid before the mortgage; *Mortgage Interest Rate* is the APR; *Mortgage Term* is the length of the loan in years; *Qualifying Ratio* is the maximum debt-to-income ratio that still qualifies for a mortgage; *Adjustment* shifts the income used in the calculation where 100% is the median household income.
Source: American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

WACO HAS A DIVERSE INDUSTRY BASE

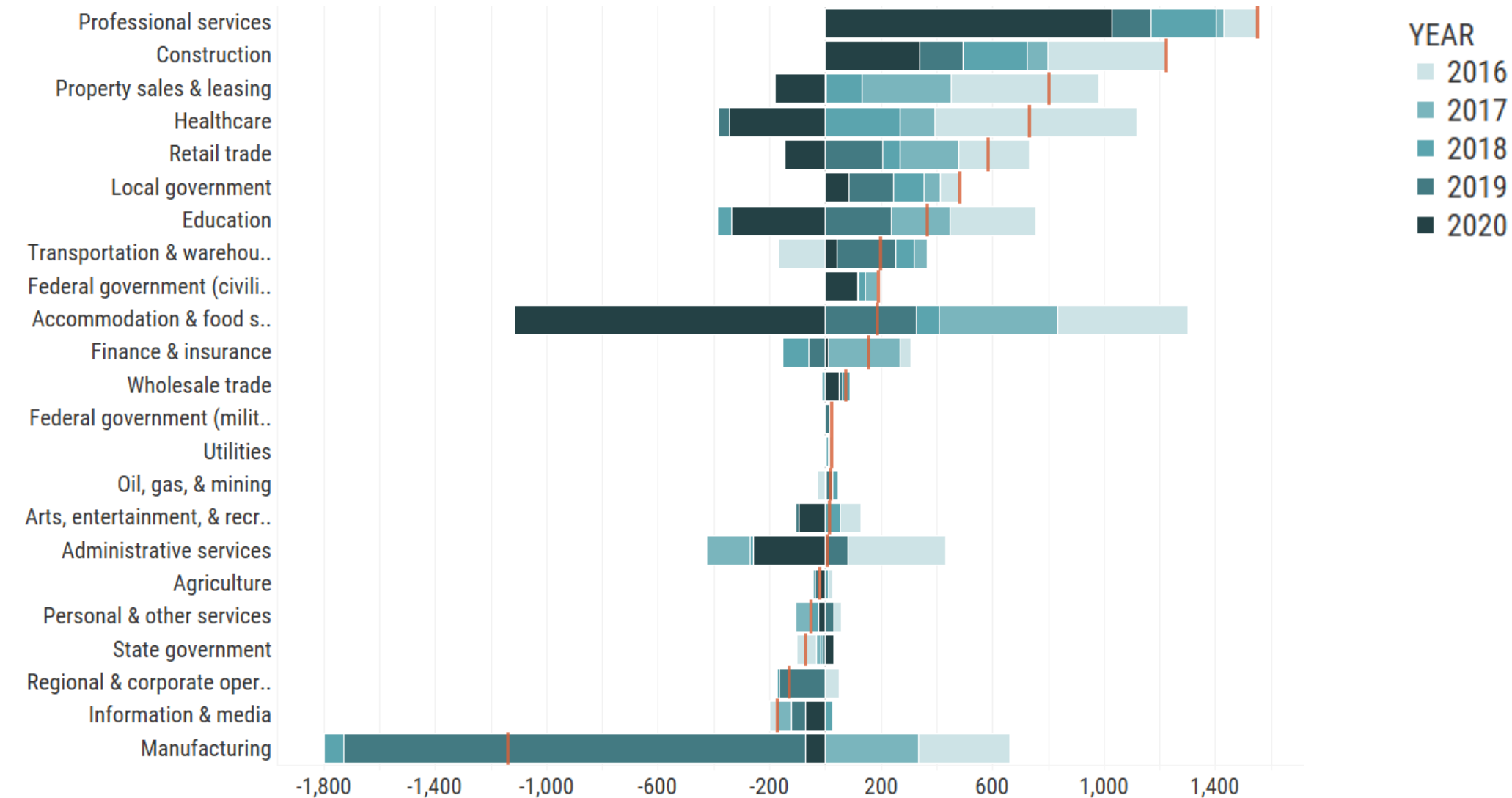
Education, Healthcare, and Manufacturing employ the most people



Notes: City jobs are estimated by ZIP codes approximating the geography of the city. Waco is approximated by ZIP codes 76701, 76702, 76703, 76704, 76705, 76706, 76707, 76708, 76710, 76711, 76712, 76714, 76715, 76716, 76797, 76798, and 76799.
Source: US Bureau of Labor Statistics (BLS); Emsi Burning Glass 2022.1 – QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.

INDUSTRY GROWTH IS UNEVEN

Professional services gained the most jobs over the last 5 years; manufacturing lost the most



Notes: Year Range selection should include the previous year from the first year included in the visualization (e.g., to see 2016-2020, use the range 2015-2020). Red bars indicate the total net change for the selected period. City jobs are estimated by ZIP codes approximating the geography of the city. Waco is approximated by ZIP codes 76701, 76702, 76703, 76704, 76705, 76706, 76707, 76708, 76710, 76711, 76712, 76714, 76715, 76716, 76797, 76798, and 76799.
Source: US Bureau of Labor Statistics (BLS); Emsi Burning Glass 2022.1 – QCEW Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.

KEY OPPORTUNITIES

- 1 Population and economic growth
- 2 Affordable residential and small commercial spaces
- 3 Real estate development downtown and along the Brazos
- 4 Connectivity- central Texas, I-35 corridor, regional airport
- 5 Network of higher education institutions

KEY CHALLENGES

- 1 Housing inventory and affordability
- 2 Retaining college graduates
- 3 Supportive ecosystem for small businesses and entrepreneurs
- 4 Creating workforce and job opportunity alignment
- 5 Coordinating economic development initiatives

PROPOSED FRAMEWORK

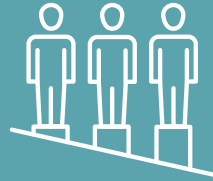
The City of Waco is committed to facilitating a **vibrant, inclusive economy where everyone belongs and thrives** while moving forward together

DRAFT GUIDING PRINCIPLES



COMPETITIVENESS

Position the City of Waco as a **strong economic competitor** prioritizing strategic economic development opportunities that drive investment and growth



ECONOMIC EQUITY AND INCLUSION

Facilitate **equitable access to resources and opportunity**, creating an economy in which every individual and group can be part of and benefit from Waco's economic vitality



COLLABORATION

Build **cross-sector partnerships** to align government, business, and community efforts that create economic opportunity



FUTURE-FORWARD

Plan for the **long-term growth and prosperity** of Waco and its residents

DRAFT GOAL AREAS



BUSINESS AND ENTREPRENEUR VITALITY

Attract, retain, and grow industries and businesses while **cultivating an inclusive, supportive ecosystem** for entrepreneurship and small businesses



TALENT, WORKFORCE, AND EDUCATION

Ensure **accessible pathways** to quality education, training, and jobs, creating a robust **talent pipeline** reflective of employer needs



PLACEMAKING AND REAL ESTATE

Prioritize place-based real estate development projects that enhance the city of Waco by **spurring investment and creating a preferred location** for businesses and people



RESOURCE ALIGNMENT

Create **alignment between organizations** through a shared vision, goals, and actions for Waco's future

NEXT STEPS

NEXT STEPS

SHORT TERM

- ▶ Provide feedback to the TIP team by July 8: jenn@tipstrategies.com
- ▶ TIP will
 - ▶ Develop recommendations for the goal areas
 - ▶ Identify best practices that correspond with goals and strategies

LONGER TERM

- ▶ Opportunity workshop (est: August)



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