

MARKET ST

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LIVE GROW WORK

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LIVE GROW WORK

Market Street brings original insights and clarity to the evaluation and revitalization of the places where people live, grow and work. *Market Street* inspires trust in all community stakeholders – citizens, educators, leadership and industry – because our holistic, proactive process takes into account all the aspects that shape community life. Through honest and informed assessments, *Market Street* can equip you with the tools to create meaningful change. Our solutions successfully merge our unique vision with your economic and social realities.

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PROJECT OVERVIEW

This *Strategic Economic Development Strategy* is the result of the key findings of four previous documents that quantitatively and qualitatively assessed the strengths and opportunities of Greater Waco.¹ The Greater Waco Chamber of Commerce (henceforth, “the Chamber”) contracted with *Market Street Services* in May 2005 to develop this *Strategic Economic Development Plan* to help the community achieve short- and long-term economic success. Following this document, an *Implementation Plan* will be created to help Greater Waco achieve the goals outlined in this strategy. The following are brief descriptions of the six stages of the process.

1. **Demographic and Economic Profile:** Presented June 15, 2005, the *Profile* described the basic character of Greater Waco, as determined by recent trends and current realities of key demographic and economic indicators of the area. The document also identified the boundaries of a possible region, or labor market, for Greater Waco to consider itself a part of moving forward.
2. **Competitive Assessment:** Presented July 11, 2005, this four-part document analyzed how Greater Waco compares to three comparison communities (Tyler, Texas; Columbia, Missouri; and Lexington-Fayette, Kentucky) to determine the area’s competitiveness as a place of business for existing, expanding, and relocating companies. The four areas of analysis were: education and workforce development, infrastructure, business costs, and quality of life.
3. **Community Input Process:** On July 11, 2005, *Market Street* also presented the findings of a series of interviews and focus groups to identify the key issues related to Greater Waco’s competitive position, as perceived by the community’s leaders and key stakeholders. The presentation also included the findings of an online survey, which allowed the full spectrum of stakeholders to provide input on Greater Waco’s competitive position.
4. **Target Business Analysis:** The research findings of the *Target Business Analysis* were presented August 8, 2005. The document identified six business sectors – Aerospace and Defense, Advanced Manufacturing, Health Care, Logistics and Trade, Professional Services, and Tourism and Downtown Development – that have the highest probability of sustained success for building a stronger economy in Greater Waco. The choices were based on the key findings of the previous three documents, as well as national economic trends and emerging, unrealized, and new opportunities in the Greater Waco region.

¹ In this report, Greater Waco is defined as the Waco Metropolitan Statistical Area (MSA), which is comprised entirely of McLennan County.

5. **Strategic Economic Development Plan:** This strategy brings together all the research and key findings of the previous four documents in order to provide a blueprint for the community's future actions. The strategy outlines key strategic goals and objectives, the action steps needed to achieve them, and the benchmarks and performance measures necessary for monitoring attainment.
6. **Implementation Plan:** The final document in the process will identify the "how" and "who" of the efforts by prioritizing action steps, assigning roles and responsibilities, developing a timeline for implementation, and reviewing funding priorities. This document will allow Greater Waco to effectively begin the implementation of the strategy, the most critical work of this economic development strategy process.

At the end of this process, the Greater Waco Chamber of Commerce will have a strategy focused on the community's most pressing needs and opportunities, and the action steps and implementation guidelines necessary to achieve success. This strategy, once effectively implemented, will allow Greater Waco to achieve both short- and long-term economic prosperity.

Acknowledgements

Market Street would like to acknowledge the participation of the Steering Committee, whose input and contributions have been invaluable to this strategic planning process:

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- ❖ Dr. Ellie Caston, Director, Mayborn Museum Complex, Baylor University
- ❖ Mr. Bob Chambers, Chairman and CEO, Automatic Chef Canteen, Inc.; President, Waco Business League
- ❖ Mr. George Chase, President, Insurors of Texas
- ❖ Mr. William L. Clifton, Jr., Principal, The Clifton Group
- ❖ Mr. Patrick Contreras, Owner, Creative Man Studios
- ❖ Dr. Steve Corwin, Drs. Robert & Steve Corwin
- ❖ Mr. Bob Davis, Owner, BRD Management, Inc.
- ❖ Ms. Penny Dulock, President, First American Title Company
- ❖ Ms. Virginia Dupuy, Mayor, City of Waco; President, Dupuy Oxygen & Supply Co.
- ❖ Mr. Louis Englander, CEO, Englander Container & Display
- ❖ Mr. John W. Erwin, President, John W. Erwin General Contractor, Inc.; President, Associated General Contractors

- ❖ Mr. Scott M. Felton, President & Business Banking Manager, Wells Fargo Bank Texas
- ❖ Dr. Roland Goertz, President, Family Practice Center
- ❖ Mr. Larry Groth, City Manager, City of Waco
- ❖ Mr. Monte Hulse, Chairman/CEO, First National Bank of Central Texas
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- ❖ Mr. Rodney G. Kroll, Chairman, Texas First State Bank
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- ❖ Mr. Al Rodriguez, President, Marathon Power Technologies Company
- ❖ Mr. Tom Salome, President, M. Lipsitz & Co.
- ❖ Mr. Steve Sorrells, President, Sorrells Development Co.; President, Heart of Texas Builders Association
- ❖ Mr. Elton Stuckly, Jr., President, Texas State Technical College-Waco
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- ❖ Mr. Jed Walker, President, G. E. Walker & Associates
- ❖ Mr. Chip Wilson, CEO, 360 Solutions

Additionally, Greater Waco Chamber of Commerce staff has been invaluable to the success of this process, including:

- ❖ Mr. James G. Vaughan, Jr., President/CEO
- ❖ Mr. Pat Nowotny, Senior Vice President, Economic Development
- ❖ Ms. Sarah Roberts, Vice President, Economic Development
- ❖ Mr. Scott J. Connell, Vice President, Economic Development
- ❖ Ms. Stacy Maness, Director, Marketing and Research
- ❖ Ms. Kristina Collins, Economic Development Coordinator

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RESEARCH SUMMARY

From May to August 2005, *Market Street* conducted a comprehensive quantitative and qualitative assessment of Greater Waco. The key findings of this research, presented below as excerpts from previous documents, were used as the basis for developing the goals and objectives of this *Strategic Economic Development Plan*.

DEMOGRAPHIC AND ECONOMIC PROFILE

Greater Waco has the opportunity to position itself to attain greater economic prosperity in the future, for both the short- and long-term. Overall, Greater Waco is in a strong position when compared to the comparison metropolitan areas of Abilene, Texas; Columbia, Missouri; Lexington-Fayette, Kentucky; and State of Texas and national averages. However, there is a need to take advantage of its key strengths and work diligently to improve the areas of weakness. The key concern is K-12 education attainment.

The following are key findings from the assessment of Greater Waco's demographic characteristics and economic well-being.

1. Greater Waco has had strong population growth – over 20 percent in the past 20 years. That growth may be difficult to sustain in the future because the primary workforce/child-bearing age population is small compared to state and national averages. Greater Waco's smaller workforce also makes the community less competitive in terms of labor force availability. Additionally, the comparatively large populations 14 years and younger and 65 years and older could strain the community's resources for these demographic groups.
2. Employment growth has been strong in Greater Waco in recent years: 1.6 percent growth over the last three years (compared to U.S. job losses of -0.3%).² The community has maintained a comparatively low unemployment rate, and while low, its labor force participation rate is not seriously problematic. Greater Waco's per capita income and average wages are less than Texas and the United States. All these factors combined suggest that many of Greater Waco's employment-related concerns moving forward may be to seek higher-paying job opportunities to raise the economic well-being of its population.
3. The distribution of income in Greater Waco compared to its comparison metro areas and state and national averages suggests that there is not as much embedded wealth in Greater Waco. The percentage of income derived

² From 2001 to 2004. Source: U.S. Bureau of Labor Statistics.

from dividends, interest, and rent, combined, was lower in Greater Waco than the nation. Greater Waco's average annual wage is more consistent with the other areas than its per capita income, also suggesting non-employment sources of income are comparatively low in Greater Waco.

4. Greater Waco's education attainment levels stand out as uncompetitive compared to its comparison metro areas and the nation. With almost one in four persons over the age of 25 without a high school diploma in 2000, Greater Waco will need to dramatically improve its educational attainment levels to remain competitive in today's and tomorrow's economy. More employers require a high school diploma, or even post-secondary degree, for employment in today's economy than previously. Additionally, a better-educated workforce will be able to attract and create higher-paying jobs.
5. Certain populations within Greater Waco may face greater economic challenges than others. In many available indicators of wealth, the City of Waco appears to be at a greater economic disadvantage than the remainder of McLennan County. Additionally, educational attainment data illustrate that over 60 percent of Greater Waco's Hispanics do not have a high school diploma; and poverty rates and teenage pregnancy levels are particularly high among African Americans in Greater Waco.
6. Greater Waco is located within a competitive market, being in close proximity to the metropolitan statistical areas of Dallas-Fort Worth-Arlington, Austin-Round Rock, and San Antonio. Greater Waco would likely benefit from thinking more regionally, i.e. considering counties that share residents and employees with McLennan County (primarily Bell, Bosque, Hill, Falls, Coryell, Navarro, and Limestone) as part of Greater Waco's labor market. Prospective businesses likely already study the Waco area in this manner.

Ultimately, while many of Greater Waco's indicators are positive, there is work to be done to strengthen the well-being of individuals within the community and the overall economy of the metro area.

COMPETITIVE ASSESSMENT

The following points summarize the overall competitiveness of the Greater Waco community and economy, based on an assessment of the four key components of business climate: education and workforce development, infrastructure, business costs, and quality of life. The analysis compared Greater Waco to four comparison metropolitan areas – Tyler, Texas; Columbia, Missouri; Lexington-Fayette, Kentucky – and state and national averages.

Greater Waco's Key Findings

Greater Waco's **public school systems** have some strengths, but overall improvements need to be made to maintain competitiveness with other areas, particularly pertaining to raising per student expenditures and teacher salaries, lowering the dropout rate, improving test scores, and ensuring high school graduates continue with their education with the pursuit of a two or four-year degree. Additionally, disparities among school districts need to be resolved.

Improving Greater Waco's **educational attainment levels** is a necessary step toward becoming more competitive, and that process must begin in the public school systems. McLennan Community College (MCC) and Texas State Technical College-Waco (TSTC-W) also can play key roles in that process. Both two-year institutions are strong assets for Greater Waco.

McLennan Community College's capacity issues need to be overcome so that the college can more effectively meet the needs of its growing student body and the private sector. While available financial aid helps, the costs of attending Baylor can still be prohibitive for many in the Waco community. Thus, the efforts to provide four-year degree opportunities at McLennan Community College in partnership with the University of Texas-Arlington and Tarleton State University are invaluable and need to continue to expand. Traditionally, McLennan Community College attracts and retains more local students than Baylor – another reason to expand four-year degree opportunities at the school.

Texas State Technical College-Waco is also a tremendous resource for the Waco community, both in working with the public school systems and adults in the community to provide technical, career-specific training, and partnering with the private sector, including aviation businesses, to meet the specific needs of business. The college is already working with the private sector to meet certain needs, and those programs can be strengthened and expanded to continue to foster a demand-driven approach to education in Greater Waco.

Baylor University has an important role to play in the Greater Waco community and economy, both as one of its largest employers, and as an educational and research institution. Baylor needs to continue to enhance its position as a key player in the community, by maintaining partnerships on major projects and initiatives with Greater Waco's leaders. The University also has the potential to more actively support private enterprise if more strategic partnerships are developed. Enhancing the University's capacity for innovation and the commercialization of its research would significantly benefit the Waco economy. The University also can raise the profile of Greater Waco nationally, via research, academics, and athletic programs. The athletic, arts, and cultural events on campus help strengthen the already diverse set of entertainment opportunities available to Waco residents and visitors, and more efforts should be made to advertise them to the community.

Greater Waco is **advantageously located** between several prominent, large metro areas: Austin, Dallas-Fort Worth, Houston, and San Antonio. The importance and value of the community's strategic location should not go unrecognized. The proposed TransTexas Corridor has the potential to strengthen the advantages that Interstate 35 already provides to the community. Additionally, highway and roadway improvements are already underway on I-35, State Highway 6, Loop 340, and certain local roads.

Freight air travel in and out of **TSTC Waco Airport** offers the opportunity to expand the area's distribution sector, as well as bring more manufacturers to the area. Although improved, passenger air travel via **Waco Regional Airport** is still fairly limited, a potential negative for businesses reliant on human capital. However, the Waco Regional Airport is also a potential opportunity if it can be effectively advertised as a preferred alternative to Dallas-Fort Worth International and other area airports.

The redevelopment of **Downtown Waco** is an opportunity for a vibrant center of activity in Greater Waco that can create jobs, stabilize the tax base, and offer new housing options. Diverse redevelopment will attract both visitors and new residents to the community. Development along the Brazos River can help anchor that effort, as well as involvement from Baylor University's leadership. Most successful downtown revitalization efforts achieve their success by incorporating housing development into their plans. Greater Waco's housing stock is older than the comparison metro areas and the national average, suggesting the need for new development that could be filled with a downtown development plan. Downtown Waco, Inc. is an active leader in these efforts.

Electricity and water rates are comparatively expensive in Greater Waco, but other **business costs**, including real estate and labor, are not. Overall, Texas has a competitive tax structure, but sales and property taxes are higher in Greater Waco than at least some of the comparison benchmark areas. The availability of land helps Greater Waco maintain a competitive business cost environment. The wide-range of programs supporting businesses in Greater Waco is competitive with other locations, and includes important opportunities like customized training programs.

The community has several organizations **supporting small businesses** – the Small Business Development Center, Baylor's John F. Baugh Center for Entrepreneurship, and the Heart of Texas Business Resource Center. However, the U.S. Small Business Administration loan data, bank deposits per capita figure, per capita income levels, and percentage of income derived from dividends, interest, and rent (discussed in the *Demographic and Economic Profile*) suggest that Greater Waco does not have as much capital available to support new businesses as its competitors.

The low hospital bed and physician per capita figures for Greater Waco and other **health care** sector data discussed in the "Quality of Life" section of the *Competitive Assessment* indicate that the community has room to expand this important part of

the local economy. Providence Healthcare Network has recognized that need with the recently announced \$48.5 million major expansion to its facilities. Hillcrest Health System, the other major local hospital, has plans to relocate its facilities from its current location on Herring Avenue to Woodway. The final plans could include the expansion of services.³

The Waco Family Practice Center and Residency Center is an important resource of Greater Waco's health care education infrastructure for training, and ultimately retaining, doctors. While Greater Waco may have difficulty being competitive with areas that are home to a university medical school, measures can be taken to expand health-care-related economic activity in the area. Working with McLennan Community College to expand its capacity to train individuals for health care occupations is one key element of this effort. As the population ages with the retirement of the Baby Boom generation, growth in the sector will naturally occur, and key strategic action steps can help leverage its full potential.

An overall assessment of Greater Waco's **quality of life** depends on what is most important to an individual, because the community's competitiveness varies by indicator. Greater Waco's cost of living is relatively low, but utilities and health care costs are higher than average. Crime rates in Waco have historically been high, but have improved over time. Greater Waco's winter is mild, but the summer can be uncomfortably hot for some.

The arts, culture, and recreational activities in Waco do not receive high scores in certain national rankings, but the community has a wide range of activities available, including: the Armstrong-Browning Library, Art Center Waco, Cameron Park Zoo, Dr. Pepper Museum, Mayborn Museum Complex, Suspension Bridge and River Walk, Texas Ranger Hall of Fame, and Texas Sports Hall of Fame. The athletic, arts, and cultural activities on Baylor's campus also contribute to the wide variety. Greater Waco's attractions will only improve if progressive steps are taken to develop the downtown neighborhood and Brazos riverfront, and new attractions such as the George W. Bush Presidential Library are brought to the area. A comprehensive **marketing** effort effectively packaging these amenities could be a means to attract both businesses and visitors.

Comparison Metro Area Key Findings

Compared to the comparison metro areas, Greater Waco compares favorably in some areas, but not others. For **education and workforce** indicators, both Columbia and Lexington-Fayette are much more competitive in educational attainment levels. Columbia has much higher average per student expenditures in its public schools, as well as higher average teacher salaries. Tyler's high school dropout rates are lower

³ Smith, J.B. "City, school officials ailing over hospital relocation plans. *Waco Tribune-Herald*. 19 June 2005. Accessed online 21 June 2005. <http://www.wacotrib.com/news/content/news/stories/2005/06/19/20050619wachillcrest.html>.

than Waco's, and more of Tyler's students are passing Texas Assessment of Knowledge and Skills standards. Both Columbia and Lexington-Fayette have much more success transitioning students from high school into a four-year degree program, as the large public universities in these two communities are a clear advantage. However, none of the benchmarks had a two-year school as strong as McLennan Community College or Texas State Technical College-Waco; and the fact that Greater Waco has both institutions illustrates how competitive it is for offering a diversity of two-year educational opportunities.

In the **infrastructure** category, despite Waco's advantageous location in the middle of Texas' population concentration, Lexington-Fayette has both north-south and east-west interstate connectivity and has shorter driving distances to a larger number of top ten metropolitan areas in the United States. Of the benchmarks, Lexington-Fayette also has the airport with the most comprehensive service.

Lexington-Fayette is the densest of the benchmarks, and both Lexington-Fayette and Columbia have, on average, newer housing stock than Waco. Based on the most recent cost of living estimate, Columbia has the most affordable housing of the benchmarks. Columbia also has the most favorable data for capacity for innovation measures. More so than Baylor thus far, Columbia's University of Missouri and Lexington's University of Kentucky have become key resources for their metro areas' potential for innovation and technology transfer. For Greater Waco to be competitive with communities like Columbia and Lexington which have a strong university presence, Baylor needs to expand its R&D activities and potential for local commercial product development. Only then can the University achieve its full potential to serve and help expand Greater Waco's economy.

Greater Waco compares favorably in terms of **business costs**, with much available land, but Columbia has the lowest utility costs. Columbia also has a lower average annual wage than Waco. Of the three states represented by Waco and the benchmarks, Missouri is the most favorable in terms of total local and state government tax and fee revenues as a percent of total personal income. Both Tyler and Columbia are strong in SBA loan activity, and Lexington-Fayette has the most financial resources for business development, as measured by bank deposits per capita. In business climate rankings, Lexington-Fayette fared better than Waco in several instances.

Relative to **quality of life**, Columbia has the lowest cost of living of the benchmarks, and most comprehensive health care system, as measured by the indicators used in the *Competitive Assessment* report. Columbia also had the most consistently low crime rates. Both Columbia and Lexington-Fayette consistently ranked more favorably than Waco in terms of arts, culture, and recreational amenities. In several indicators, Tyler stood out favorably for climate and the health of the environment. Tyler is also the most generous of the benchmarks, measured in terms of the

itemized charitable contributions per capita, but Greater Waco's 501(c)(3) assets per capita are far above the benchmarks.

Conclusion

These findings highlight the primary strengths and opportunities of the Greater Waco business climate. Although attention needs to be paid to the secondary school system, the community is well positioned for post-secondary school education. The community has a very strategic location, but there are concerns regarding air transportation, current development patterns, and the existing capacity to innovate. The business cost climate is favorable, particularly in terms of the availability of land, but utility prices and resources for small businesses may be problematic for the community. The health care sector has the capacity to expand, and a marketing effort would strengthen the awareness of the many arts, culture, and recreational opportunities in Greater Waco.

COMMUNITY INPUT SUMMARY

The community input gathered from Greater Waco stakeholders for this strategic development process has complemented the quantitative information to present a clearer picture of the issues facing the Greater Waco community. The following are key findings from the community input component of this process:

- ✓ Overall, Greater Waco residents and companies are happy with the community as a place to live and do business. While certain issues impact the intensity of respondents' opinions on the benefits of Greater Waco, they do not compel many local stakeholders to relocate. These issues relate to such diverse elements of business climate as cost and availability of health care; quality of public education; amenities for single adults; water quality; image and marketing; and many others. Respondents feel that addressing these concerns would make Greater Waco an even more dynamic location to live, work and recreate.
- ✓ There seem to be widespread issues related to "perception" of the Waco community, both among and between its residents and businesses, and also the "outside world's" view of the region. Whether the issues relate to locals' lack of knowledge about certain educational, workforce development, cultural, recreational, or business-related resources – or even Baylor University's contributions to the community – numerous stakeholders said that Greater Waco's assets were not fully utilized or appreciated. Likewise, although residents and business interests in Waco demonstrate great regard for much that is available in the community, many of these same individuals express dismay that others outside Waco do not recognize these same assets. From drivers passing by on I-35, to the national media, to those who only associate

Waco with the Branch Davidian incident, locals feel that Waco is not accurately perceived by outsiders.

- ✓ Strongly related to the issue of perception is one of Greater Waco’s “untapped potential.” Numerous community efforts were said to be on the verge of becoming robust contributors to local prosperity: the airport; downtown; the Brazos River; Lake Waco; capitalizing on Waco’s strategic geographic location; the area’s “hidden” workforce; the region’s array of cultural and recreational resources; historic residential and commercial neighborhoods; Baylor University’s capacity for research or investment in Waco; and others. Many correlated their frustration over Waco’s unrealized “potential” with a lack of vision on the part of community leaders, both public and private. Many respondents noted that one transcendent action or event – for example, the funding and development of a riverfront hotel and convention complex on the Brazos River – would be the catalyst to completely transform the Greater Waco community and economy.
- ✓ The words “fragmented,” “segmented,” “class divisions,” and other similar ones were frequently used in public input discourse. These schisms were said to involve such wide ranging divides as those between: “old” and “new” Greater Waco community and political leadership; Baylor University students, faculty and administration and the Greater Waco community; the City of Waco and its more affluent suburbs; City and County organizations; public and private interests; native-born Hispanics and recent immigrants; and others. These perceived and actual divides impair Greater Waco’s ability to come together as a region and move forward. As many focus group respondents noted, Waco is good at planning, but less effective at following through on efforts. One respondent said Waco must develop a “culture of implementation” if it is to truly thrive.

While the quantitative data collected on Greater Waco and its comparison metro areas greatly contributed to the development of the community’s *Strategic Economic Development Plan*, the input collected from a wide range of area stakeholders also significantly affected the strategy’s final key goals, objectives and priority actions.

TARGET BUSINESS ANALYSIS

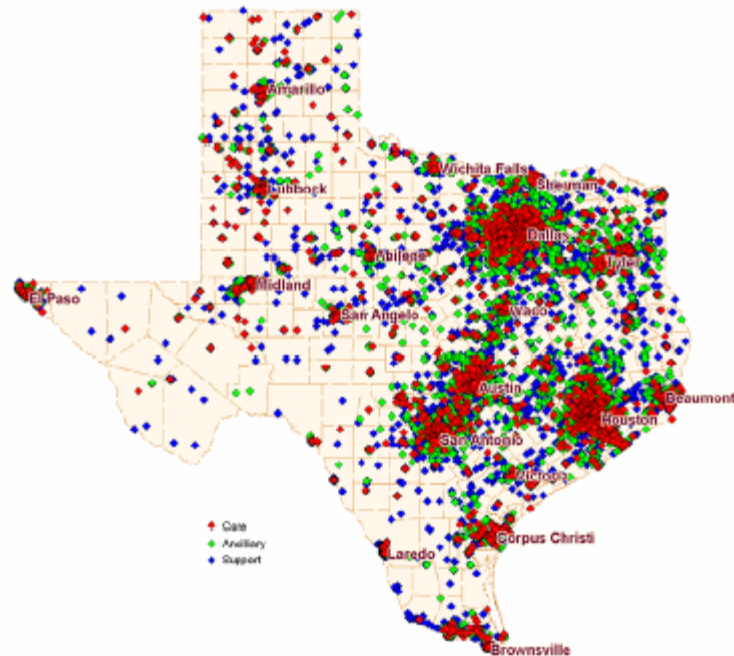
Six business targets were selected as the most promising areas for Greater Waco to focus its priority investments on: Aerospace and Defense, Advanced Manufacturing, Health Care, Logistics and Trade, Professional Services, and Tourism and Downtown Development. Collectively, these six targets provide the means to strengthen Greater Waco's economy and provide opportunities for a range of income and skill-levels.

The long-term goal for Greater Waco is increased wealth for individuals, and building a more diversified, stronger economy. The key to converting the target business efforts into sustainable short and long-term prosperity is to approach them from a variety of avenues – small business development, retention and expansion of existing businesses, and recruitment. The key opportunity areas identified for the six targets are described below.

Aerospace and Defense

Aerospace and Defense is one of the chosen targets of the State of Texas, allowing Greater Waco to benefit from state-level efforts. As the following map illustrates, the State of Texas has identified the presence of Aerospace and Defense in the Waco area. Because the concentration in Greater Waco is not as significant as other neighboring metropolitan areas, the community will have to maintain competitiveness with these other regions, or at least develop its own niche market strength to reduce the pressure to compete with them. Greater Waco should be able to leverage its strategic location along I-35 in the middle of the clusters in Dallas-Fort Worth, Houston, Austin, and San Antonio. Greater Waco can accomplish this by presenting itself as the ideal location for operations that support the clusters established in nearby markets, and continuing the collaborative efforts of the Greater Waco Aerospace-Aviation-Defense Industries Alliance.

Aerospace and Defense in the State of Texas, 2005



Source: Texas Workforce Commission⁴

Several of the aviation-related businesses listed in the “Aerospace and Defense Employers” chart (in the full *Target Business Analysis* document) are located near TSTC-Waco Airport or McGregor Executive Airport, both public airports profiled in the *Competitive Assessment*. Waco Regional Airport also is a key asset of the aviation sector. A critical element of supporting existing Aerospace and Defense employers, and creating an environment conducive to start-up or relocating aerospace firms to choose Greater Waco, will be to maintain the services, infrastructure, and capacity at these airports. The three airports are competitive assets of the Greater Waco aerospace sector, and they need to be leveraged accordingly. The planned Waco International Airpark, described in the *Competitive Assessment*, is also an asset for the Greater Waco’s Aerospace and Defense target due to the size of the available tracts of land and its close proximity to TSTC-Waco Airport.

The separate locations of Waco Regional and TSTC-Waco Airports create some challenges, and the possibility of not maximizing the full potential of airport resources that can occur when services are co-located. In the focus group and interview feedback, it was clear that TSTC-Waco Airport was universally considered to be an asset of the Waco community. However, opinions were not as consistent about Waco Regional Airport. There were concerns raised about obtaining competitive airfares and direct flights to a final destination from Waco Regional, and about the

⁴ Source: *State of Texas Aerospace and Defense Cluster Assessment*, August 2005.
<http://www.texasindustryprofiles.com/PDF/twcClusterReports/TexasAerospaceandDefenseCluster.pdf>.

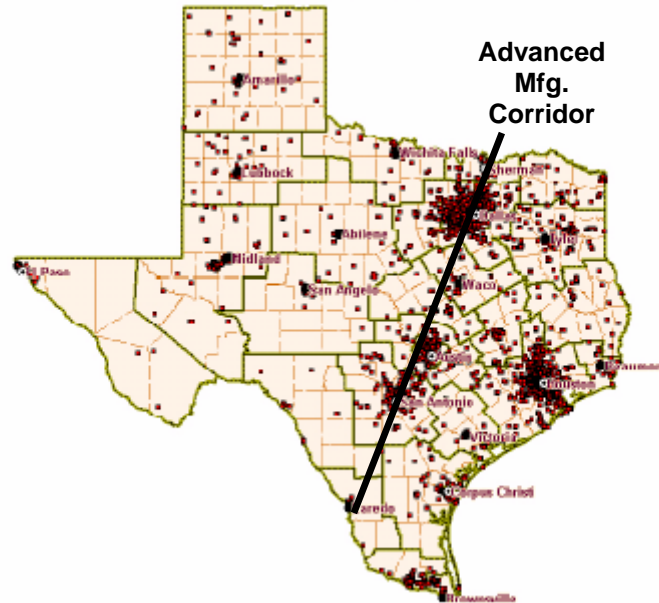
capacity of the runways to accommodate currently operating commercial aircraft. However, aviation firms have praised Waco Regional Airport as being accommodating to their needs.⁵

Advanced Manufacturing

The manufactured products that will most likely continue to be produced in the United States are large consumer products such as automobiles, and products that require more technical development and are derived from innovative, successful research and development activities. Local R&D activities can lead to product development, with the potential to be produced locally for wider commercialization. While Baylor and TSTC-W are making significant strides in expanding their R&D capacities, much more needs to be grown before Greater Waco can be a center of significant R&D and technology-transfer to the business sector. To achieve that latter goal, R&D expansion must be concurrent with the development and strengthening of university research/business partnerships.

Not only does Greater Waco face a challenge in expanding its research and development capacity, but, like in Aerospace and Defense, Waco is competing with other identified regional clusters of activity for the state's Advanced Manufacturing target. However, the high concentration of Advanced Manufacturing along I-35, as well as in Houston, allows for the possibility of Greater Waco leveraging its central location along an Advanced Manufacturing corridor created by these clusters.

⁵ Copeland, Michael. "Local aviation companies hope to bring more to Waco." *Waco Tribune-Herald*. 31 July 2005. Accessed 3 August 2005.
<http://www.wacotrib.com/news/content/news/stories/2005/07/31/20050731wacwacoaviation.html>

Advanced Technologies and Manufacturing in the State of Texas, 2005


Source: Texas Workforce Commission⁶

Both Baylor and TSTC-W are working to expand their research capacity in nanotechnology, a field projected by some experts to eventually generate trillions of dollars in economic activity. The small-scale manipulation of materials that occurs in nanotechnology-based research activities is speculated to provide endless opportunities in a wide range of fields, because at this level scientists can manipulate the optical, magnetic, thermal, or electrical properties of materials, or even just benefit from the knowledge gained from understanding how the material functions on an atomic scale. Thus, nanotechnology research impacts a wide variety of products. In addition to the cross-disciplinary application of nanotechnology research, the field has been broken down into at least three parts by Matthew Nordan of Lux Research: nanomaterials (tubes, particles, and dots); nanointermediates (products made of tubes, particles, and dots, i.e., films, memory, fuel cells, and solar cells); and nano-enabled products (for example, a car that has parts made of nanocomponents).⁷

Thus, the term “nanotechnology” does not connote one particular thing, but in product development it crosses both horizontally and vertically into a variety of fields and products. In formulating an economic development strategy inclusive of nanotechnology development, it is important to remember the cross-disciplinary potential of nanotechnology. Some have made the mistake of targeting

⁶ Source: *State of Texas Advanced Technologies and Manufacturing Cluster Assessment*, August 2005. http://www.twc.state.tx.us/news/timanufacturing_report.pdf.

⁷ “Downsizing.” *The Economist*. January 1, 2005. Page 10.

nanotechnology as an industry cluster onto itself. Much more effective than targeting the general idea of nanotechnology is to focus targeted efforts on a nanotechnology “niche” market within a field where the economy has already achieved success; for example, wrinkle-resistant nano-fabrics developed in an already textile-based economy.

Currently, Baylor and TSTC-W’s efforts are cross-disciplinary because nanotechnology research has not yet clearly identified where the greatest value-added product development potential lies. Baylor has the distinction of being one of two universities (the other one is the Massachusetts Institute of Technology) with a Zyvex S100 Nanomanipulator System – a key tool for nanotechnology-based research and the identification of its potential for product applications. Baylor is also working with Zyvex, TSTC-W, and the State of Texas to develop a nanotechnology training program.⁸ In both R&D and training, Baylor and TSTC-W are staying at the forefront of nanotechnology efforts.

Greater Waco has the most competitive niche-market potential in materials and parts particular to commercial and military aircraft, as well as the strengths identified in Advanced Manufacturing in Other General Purpose Machinery, Architectural and Structural Metals, Plastics Products, and Rubber Products. As more is understood about the highest and best use of nanotechnology research, Greater Waco may best benefit from these efforts if they are focused on one of these existing strengths of manufacturing activity.

Health Care

Nationally, workforce recruitment and retention is a major issue for the Health Care sector. Greater Waco must work to attract more people into the education and training programs at all levels, from technicians to pharmaceutical research. The Brazos Area Health Education Center is playing a key role in this effort, and these and other efforts need to continue to expand.

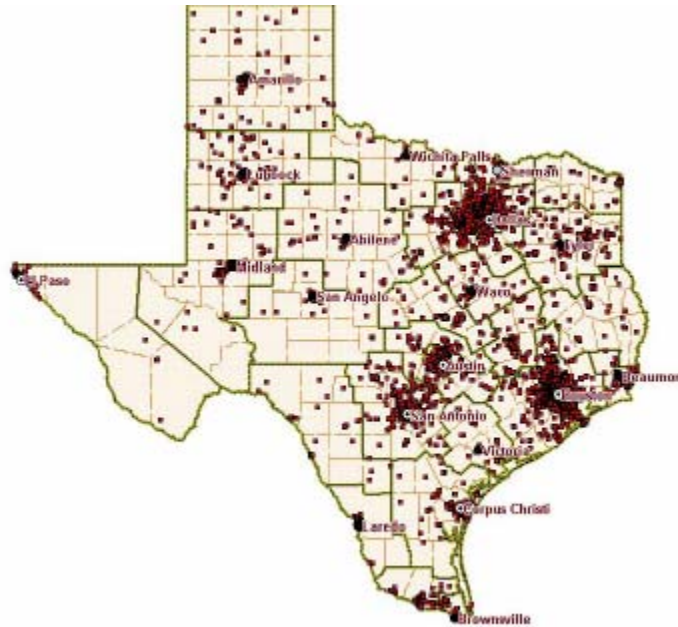
As was discussed in the *Competitive Assessment* and *Community Input Summary*, at this point in time recruiting people into health care professions is not as critical an issue as training capacity for nurses and other health care related occupations in Greater Waco. MCC has reached its capacity in its nursing program, as well as many of its science fields of study that can also help to support the expansion of the Health Care sector. A \$73.45 million county-wide bond referendum to fund an expansion of MCC’s facilities failed by a narrow margin in March 2005. The passage of a bond referendum or the identification of another source of funding is vital to provide the classroom and facility space to serve MCC’s growing study body and ensure the college is able to continue graduating nurses at a rate that can support the area’s

⁸ Phone interview. 3 August 2005.

Health Care sector.⁹ Additionally, retention of graduates of these and other academic programs, as well as current employees in Health Care, is a key area of concern to reduce the high turnover rate that can occur in some health care professions.

A key growth area of the Health Care sector is the pharmaceutical, medicine, equipment, and supplies manufacturing sectors. Without a comprehensive medical school, Greater Waco does not have as extensive a health care infrastructure as some communities, but through Baylor University’s Center of Drug Discovery, there is the opportunity to have business start-ups spun off of drug-related research. Expanding programs in biochemistry, biophysics, molecular biology, and related engineering degree programs can help strengthen Baylor’s research and development efforts. Additionally, there is also the potential to leverage the State of Texas’ Biotechnology and Life Sciences target efforts. Greater Waco’s central location in the middle of the highest concentrations of Biotechnology and Life Sciences in the State, as illustrated in the map below, can facilitate the leveraging of economic opportunities in the field.

Biotechnology and Life Sciences in the State of Texas, 2005



Source: Texas Workforce Commission¹⁰

⁹ Anderson, Mike. “MCC officials expecting high enrollment again this fall. *Waco Tribune-Herald*. 19 June 2005. Accessed 21 June 2005.

<http://www.wacotrib.com/news/content/news/stories/2005/06/19/20050619wacmccenrollment.html>.

¹⁰ Source: *State of Texas Biotechnology and Life Science Cluster Assessment*, August 2005.

<http://www.texasindustryprofiles.com/PDF/twcClusterReports/TexasBiotechnologyandLifeSciencesCluster.pdf>.

Logistics and Trade

TSTC-Waco Airport is a key strength of Greater Waco's air cargo transportation infrastructure. As will be discussed further in relation to Greater Waco's Aerospace and Defense target, Greater Waco will need to maintain the services, infrastructure, and capacity at both TSTC-Waco Airport and Waco Regional Airport to support and expand the existing Logistics and Trade sector. While Greater Waco's passenger air service out of Waco Regional Airport is not consistently regarded as comprehensive, the airport has been praised as very accommodating to the needs of the area's aviation firms.¹¹ Also, businesses dependent on rail transportation have said Greater Waco would be more competitive if it had an inter-modal rail facility. The reported excess capacity of Waco's current Union Pacific rail line suggests room for expansion in rail services in the area.

Connected to TSTC-Waco Airport is the Waco International Airpark, discussed in the *Competitive Assessment*. This site, or another one located close to the Airport, is premier land for prospective distribution centers. Recent reports indicate that location decision-making in logistics and warehousing is occurring at a faster rate today than in the past, making large, available sites (ideally those that can accommodate buildings with at least 100,000 square feet of space), with infrastructure already in place, a key competitive advantage.¹²

Additionally, training and support programs for occupations within logistics, transportation, and related fields will help strengthen the existing workforce and prepare them for work within the field. Another issue recognized at the national level is employee turnover, which is sometimes a major problem at trucking companies because people often leave in search of better pay or more flexible hours and shifts. Local companies may consider collaborating to discuss possible solutions and employee retention strategies.

Professional Services

The successful expansion of Professional Services employment will occur primarily via small business development and expansion of existing firms. Therefore, one primary need will be to create the structure to support professionals interested in starting their own businesses, and to ensure those who would be interested in this kind of support are aware of the structure that is put in place. There are many ways to successfully achieve this end, with the implementation of the appropriate strategic action steps. Another key piece of the effort is to support the expansion of existing firms, so regular communications with them about their needs and opportunity areas will help strengthen Greater Waco's Professional Services sector.

¹¹ Copeland, Michael. "Local aviation companies hope to bring more to Waco." *Waco Tribune-Herald*. 31 July 2005. Accessed 3 August 2005.

<http://www.wacotrib.com/news/content/news/stories/2005/07/31/20050731wacwacoaviation.html>

¹² Ruberg, Ron and Saul Grohs. "Trends in Siting Today's Distribution Centers." *Business Expansion Journal*. June/July 2005.

One key purpose of targeting the expansion of existing Professional Services firms in Greater Waco is to attract and retain Baylor University and other recent college graduates, and other young professionals in the community. In the strategic process' interviews and focus groups, concerns were raised that Greater Waco has not successfully retained and attracted this demographic to the area because Waco does not have the characteristics, or the perception of the characteristics, that draw young professionals to a city.

Young professionals (most commonly defined as ages 25 to 34) have proven to prefer areas with lots of job opportunities (to provide the flexibility for job and career changes that is so common among young professionals in today's economy), as well as lots of arts, cultural, entertainment, and recreational activities to complement their typically busy lifestyle. Other "quality of life" amenities such as a vibrant downtown and other neighborhoods in attractive settings with pedestrian accessibility are also considered to be key draws for the average young professional. A failing, or a perceived failing, in each of these factors for Greater Waco was cited in the focus groups and interviews more than once as a reason why the area is losing some young professionals. Therefore, one of the greatest challenges for Greater Waco to expand Professional Services is to increase its labor pool by making the community more attractive to young professionals. That can be done by continuing to expand opportunities for entertainment and recreation, and focus development efforts on the community's traditional downtown core. The latter will be addressed further in the following Tourism and Downtown Development target description.

Tourism and Downtown Development

One need identified in the focus groups and interviews was for the creation and implementation of a comprehensive marketing campaign that can raise the area's profile, overcome any lingering negative perceptions, and build awareness of Waco as a destination of choice for tourists, and individuals and businesses seeking to relocate. That campaign should involve the identification of a clear brand for Waco, which is inclusive of prospective tourists, residents, and businesses to the area.

The tourism component of the campaign should be inclusive of all of Greater Waco's attractions – from downtown Waco, to Cameron Park Zoo, to events at Baylor, and everything else. The first piece of this process must be Greater Waco continuing to build up its tourism assets. While there are numerous well-developed attractions in the community, continuing to enhance the attractiveness of downtown Waco and the Brazos riverfront via on-going strategic redevelopment efforts will be necessary to strengthen the perception of Greater Waco as a destination. Individual sites cannot do this alone; the sense of place necessary to become a destination requires a packaging of sites, accessible transportation infrastructure (for vehicles entering and exiting the area, and pedestrians within the area), and retail stores, restaurants, and hotel accommodations in the neighborhood to serve visitors.

In the focus groups and interviews, there was strong consensus on the need to package the existing attractions, improve accessibility, and develop retail stores, restaurants, and hotel accommodations in downtown and on the Brazos riverfront. The challenge is identifying the best means to achieve this end, and implementing that identified means. Downtown Waco, Inc. has already made noteworthy strides to develop, implement, and now revise a revitalization plan; all key stakeholders, both public and private, need to work with Downtown Waco, Inc. to continue to make that plan a reality and ensure it includes all the necessary elements. Also, as one focus group participant said, all stakeholders need to continue to build a “culture of implementation” in Greater Waco, and do their part in the process to implement the plan.

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STRATEGY OVERVIEW

Below are the goals and objectives developed for Greater Waco's comprehensive economic development efforts to move the community forward.

In the full description of the goals and objectives in the following sections of this *Strategy*, the rationale behind each is described, as are the action steps that will help achieve those objectives. In a few instances, action steps overlap with different objectives, because they can help achieve multiple purposes.

Each goal section of this strategy concludes with a list of benchmarks and performance measures that should be monitored to assess the progress on goal attainment. Benchmarks are the ultimate measurable goals that the implementation efforts are striving for, while the performance measures are the more specific measures to monitor the successful attainment of these benchmarks. These criteria will enable the Greater Waco Chamber of Commerce to keep tabs on the progress of strategy implementation and determine if additional measures are needed to reach Greater Waco's goals.

Goal 1: Grow Waco

Grow Waco by broadening and strengthening existing economic development efforts to sustain quality job growth and increase local wealth in the short and long-term.

Objective 1: Actively work to support existing businesses to ensure they remain in the community and to assist them with expansion opportunities.

Objective 2: Create more opportunities and support structures for both high-growth and lifestyle entrepreneurs to thrive and attain self-sufficiency.

Objective 3: Develop and expand the target business sectors to create additional jobs and strengthen the diversity of the economy.

Objective 4: Strengthen regional partnerships.

Objective 5: Ensure that local infrastructure is adequate to support existing residents and businesses, as well as future growth.

Goal 2: Develop the Workforce

Develop the workforce's ability to meet the needs of businesses by enhancing the education, training, and workforce development programs of the public school systems, higher education institutions, and other available resources.

Objective 1: Improve student performance and instill confidence in the public school systems.

Objective 2: Expand the ability of local higher education institutions to provide affordable two-year and four-year degree opportunities to prepare the workforce for jobs in the target business sectors.

Objective 3: Raise awareness in the workforce regarding the many workforce development and educational programs available.

Objective 4: Address the support infrastructure needs of the workforce, and maximize the potential of other resources available for Greater Waco's workforce development efforts.

Goal 3: Change Perceptions

Change perceptions by enhancing Greater Waco's internal and external image.

Objective 1: Enhance community pride in Greater Waco, and increase awareness of the many opportunities and amenities available locally.

Objective 2: Create a positive brand for Waco, and market that brand to Texas and the nation.

Objective 3: Strengthen "town-gown" relations between Baylor University administrators, faculty, and students, and the Greater Waco community.

Goal 4: Revitalize Strategic Community Areas

Revitalize downtown, the Brazos riverfront, and other key areas by enhancing efforts to create more vibrant communities and improve housing options.

Objective 1: Create more mixed-use environments with housing, commercial, and office development.

Objective 2: Enhance neighborhood environments through sidewalk development, beautification, local security/neighborhood watch programs, and other efforts to strengthen communities.

Objective 3: Expand Baylor University's role in community revitalization efforts.

Goal 5: Build a Culture of Implementation

Build a culture of implementation by strengthening stakeholder relationships and obtaining the resources necessary for success.

Objective 1: Lead the effort to encourage all key public and private partners to work together to implement a cohesive effort for achieving Greater Waco's desired future.

Objective 2: Identify and pursue appropriate funding mechanisms necessary for implementation.

Breakthrough Initiative:**Design and implement a comprehensive strategic plan for sustainable economic growth in Waco-McLennan County.**

This strategy also includes all of the Greater Waco Chamber's existing Breakthrough Initiatives, developed as part of the 2005 Program of Action. When a goal, objective, or action step in this strategy corresponds with an existing initiative, a graphic similar to the one to the left is provided adjacent to the appropriate item. Below is the complete list of the Chamber's existing initiatives:

Breakthrough Initiatives, 2005-2009

- Collaborate in the development of a shared community vision for Greater Waco.
- Design and implement a comprehensive strategic plan for sustainable economic growth in Waco-McLennan County.
- Establish and manage Brand Waco with a marketing and public relations strategy for tourism and economic development.
- Build support for principles of sustainable growth and advocate development downtown and along the river.
- Construct a new Chamber headquarters building as a showcase for greater Waco and symbol of the business community's confidence in our future.
- Save the VA Hospital-Waco and expand its mission here.
- Win the George W. Bush Presidential Library Center for Waco.
- Enhance the I-35 Corridor – economically and aesthetically – with particular emphasis of Greater Waco's gateways.
- Influence the location and design of the TransTexas Corridor in Greater Waco and locate a stop on the high-speed passenger rail line in downtown Waco.
- Leverage the resources of the region's colleges and universities to support employers who require persons with college and advanced degrees and attract and retain a younger, more qualified and better educated workforce.

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GOAL 1: GROW WACO

Grow Waco by broadening and strengthening existing economic development efforts to sustain quality job growth and increase local wealth in the short and long-term.

Greater Waco needs more competitive-wage job opportunities to address three key issues identified in the research phase of the strategy development process:

1. Greater Waco has a sizeable long-term unemployed, or “hidden,” workforce in need of employment to improve individual and collective wealth, and quality of life, in the community;
2. Young professionals (generally defined as those between the ages of 25 and 34) are underrepresented in Greater Waco. More job opportunities for this socio-economic group would enable the community to attract and retain more college-educated persons; and
3. As measured by dividends, interest, rent income, average annual wages, and per capita income, Greater Waco is not a wealthy community, which could make it difficult to finance the attainment of its most ambitious goals.

Both the long-term unemployed and young professional socio-economic groups have other needs that will be addressed elsewhere in this strategy. However, increasing quality job opportunities is a critical initial step to fulfill their needs, and to improve the economic health of the entire Greater Waco community.

OBJECTIVE 1: ACTIVELY WORK TO SUPPORT EXISTING BUSINESSES TO ENSURE THEY REMAIN IN THE COMMUNITY AND TO ASSIST THEM WITH EXPANSION OPPORTUNITIES.

Existing business retention and expansion efforts are essential elements of any successful economic development strategy. Studies have shown that most job growth is derived from the expansion of existing small and medium-sized businesses. While the target business sectors (the focus of Objective Three of this goal) should be priority investments for the community, the existing business retention and expansion efforts should be continued and expanded to serve Greater Waco businesses in all sectors.

Action Step: Expand existing efforts to ensure a comprehensive, formalized business retention and expansion program.

The Greater Waco Chamber has an ongoing business retention and expansion program, but more must be done to improve its ability to effectively serve local businesses. The outcome of the work to improve the Chamber's existing program should result in the accomplishment of the following four objectives of a best-practice business retention and expansion program. Many of these the Chamber is already doing:

1. Identifies and facilitates the resolution of any problems that can interfere with the retention and expansion of existing businesses;
2. Addresses any identified gaps in services and programs in partnership with other local economic development organizations and local governments;
3. Generates leads and positive testimonials, and communicates the specific information to the recruitment efforts; and
4. Expands businesses' market reach through the promotion of international trade and the creation of a buyer-supplier match program.

To be successful, a business retention program requires staff whose sole responsibility is contacting firms, following-up on their needs, and coordinating the buyer-supplier match and international trade programs. Currently, only one staff person is responsible for the business retention program, and that person also has other responsibilities. The Chamber would greatly benefit from additional staff in order to successfully implement the expansion of its existing business retention and expansion efforts.

To expand and improve the current business expansion and retention efforts, the Chamber also needs a comprehensive local business and industry information database maintained with the most current contact and operational information. This will help formalize the Chamber's existing efforts and allow staff to easily and quickly identify programs and trends, facilitate recruitment activity on leads generated during interviews, and provide the necessary assistance to accomplish the mission of the program. The Chamber has two general choices for obtaining a database: design its own system, or purchase one of the business retention databases that are currently available on the market and work with the vendor to tailor the system to Greater Waco's needs.

The survey instrument and call-sequencing schedule of the current efforts should also be reviewed in detail to be sure that the program is maximizing its potential to serve local businesses. The survey instrument should result in the collection of basic company information, current business practices, issues, and future plans. Additionally, the survey instrument should include questions to support the mission of the International Business Development Committee, a more comprehensive buyer-supplier match effort for the Chamber, and the targeting of Professional

Services firms (addressed also in Objective Three of this goal), which are discussed below. The determination of the sequence for the business contacts should be based on targeted, focused decisions about which business sectors should be addressed first, and which can be addressed later. By focusing on one sector at a time, a comprehensive understanding of that sector's key issues can be determined and potentially addressed as a comprehensive effort. Additionally, the program can demonstrate a more measurable impact if it focuses on one sector at a time. The Chamber should review its current call schedule to be sure it is being implemented in line with these principles.

The Chamber's International Business Development Committee primarily serves as an information source and opportunity for peer-to-peer mentoring relationships for businesses interested in taking advantage of international economic opportunities. To formalize the process and have a more comprehensive effort, identifying and responding to specific business needs for international opportunities should be a component of the retention and expansion program's survey instrument.

Additionally, the Chamber would also benefit from a more comprehensive buyer-supplier match effort. That can be achieved by making the identification of potential firms in a respective company's supply and distribution chain a component of every business retention and expansion program conversation with local business owners to determine areas of needed and potential growth.

As will be discussed in the action steps of the Professional Services target in Objective Three of this goal, a key component of the expanded business expansion and retention efforts should be to identify potential opportunities for growth within this sector, and identify ways to encourage businesses to obtain professional services from local firms. Therefore, questions pertaining to how businesses make decisions about obtaining professional services should be part of the survey instrument; and, Professional Services firms should be one of the sectors targeted early in the Chamber's revised call sequencing schedule.

Action Step: Develop and implement a comprehensive marketing effort to clearly identify the Chamber as the first step toward resolving any business need.

The Chamber could expand its existing promotional efforts to a broader effort to market the Chamber as the initial resource for business needs large and small. Using business and community print, radio, and/or television media, the message of the advertisements could be based on the concept demonstrated by the example below:

“The Greater Waco Chamber of Commerce is the central command center of resolving all your business needs. If you want to

- ✓ *Open a business*
- ✓ *Expand a business*
- ✓ *Train prospective or existing employees*
- ✓ *Resolve infrastructure needs*
- ✓ *Leverage international economic opportunities*
- ✓ *Find a local or regional business that complements yours to partner or work with*
- ✓ *Be part of a collaborative research effort with a local higher educational institution*
- ✓ *Volunteer your time to help a local elementary, middle, or high school student*
- ✓ *Offer an internship or job opportunity to a local secondary or post-secondary school student*
- ✓ *Become more involved in making Greater Waco a stronger, more vibrant community in which to live and do business*

Call the Chamber, and we will put you directly in touch with the people who can work with you to obtain your objectives.”

In addition to business and community print, radio, and television media, the marketing effort could include prominent placement on the Chamber’s website and in its quarterly magazine; personal communications during calls made in the business retention and expansion program; and reminder announcements at Chamber member meetings.

OBJECTIVE 2: CREATE MORE OPPORTUNITIES AND SUPPORT STRUCTURES FOR BOTH HIGH-GROWTH AND LIFESTYLE ENTREPRENEURS TO THRIVE AND ATTAIN SELF-SUFFICIENCY.

Most job growth is derived from small business development and expansion; therefore, creating the support structure necessary to convert a business plan into a successful venture is a critical component of a comprehensive economic development strategy. There are two types of small businesses addressed in the following action steps – high-growth firms based on a new product or process, and lifestyle businesses. Lifestyle businesses include everything from professional services to retail serving the tourism economy, both of which are targets addressed in Objective Three of this goal.

Action Step: Support the expansion of research efforts at Baylor, MCC, and TSTC-W.

Both Baylor and TSTC-W are actively engaging in research pertaining to radio frequency identification (RFID), nanotechnology, and drug development. Additionally, Baylor recently announced it is now a member of the Universities Space Research Association, providing it with the opportunity to access more funding and other resources to expand the University's research efforts.¹³ Each of these, and other research, can result in a finding that can lead directly to product development and commercialization. Expanding research activities at Baylor, TSTC-W, and MCC can significantly increase the chances of "technology transfer" from research to commercialization that spawns high-growth small business development.

The Chamber should regularly have personal communications with administrators and researchers about the importance of maintaining and expanding Baylor, MCC, and TSTC-W's research programs, and transferring that research into product development opportunities in the Greater Waco economy.

Action Step: Develop and implement a plan with Baylor, MCC, TSTC-W, local foundations, and the private sector to establish an Advanced Research Institute.

A research institute established by a partnership of local higher education institutions and the private sector would be an invaluable addition to Greater Waco's economic development efforts. Via personal contacts, the Chamber should expand its ongoing efforts to obtain support from key leaders, and strengthen the relationships necessary for its success.

¹³ Anderson, Mike. "Baylor joins prestigious research group." *Waco Tribune-Herald*. 19 September 2005. Accessed 23 September 2005. <http://www.wacotrib.com/news/content/news/stories/2005/09/19/20050919wacresearchgroup.html>

The Advanced Research Institute should be located in a facility with the capacity for research, product development, and incubator space for start-up businesses. The Institute would enable researchers from the local higher educational institutions and the private sector to share knowledge and resources, thus improving Greater Waco's research capacity individually and collectively.

The incubator space at the institute will be invaluable for supporting businesses in their earliest phase of operations, because the opportunity to share infrastructure and resources with other start-ups significantly reduces operating costs at a time when profit margins are at best narrow. Additionally, by being in close proximity to researchers, faculty, and other experts, the start-up entrepreneurs can benefit from their knowledge and expertise. Finally, relationships should be in place to ensure that when businesses "graduate" from the incubator, they remain in Greater Waco.

The opening of Baylor's new Sciences Building has created the opportunity to utilize the old science building as an Advanced Research Institute. Utilizing this building for the Institute would likely reduce initial land and construction costs, and provide close proximity to faculty and research located in other Baylor facilities. An alternative would be to construct a new facility in downtown Waco; this location would still be close to Baylor, and it could become the centerpiece of a revitalized downtown.

Most important to ensure the Institute's success and maximize its ability to provide opportunities for the Greater Waco economy is that, from the conception of the idea to the management of the Institute, the Institute is pursued as a collaborative effort with strong participation from Baylor, MCC, TSTC-W, local foundations, and the private sector.

Best Practice: Carolina North, University of North Carolina

The University of North Carolina at Chapel Hill inherited a 1,000-acre property on which they plan to build a mixed-use research hub that includes university uses, as well as space for private firms and joint research. The project, named Carolina North, is projected to have major economic impacts over its multiple-phase 50-year development period. Carolina North is to be a mixed-use development that includes a combination of university research space, private or joint research space, 1,400 to 1,800 housing units, and service/retail space. The construction and operation of these uses both contribute to the economic impact. The proposed start date of the project is 2007, with full build-out accomplished by 2056.

In the first two phases alone, construction of Carolina North will have contributed over 7,000 jobs and almost \$300 million in salary and wages, and nearly \$800 million in business revenue within Orange County. By the end of the second phase, annual impacts of the university, joint/private, and service/retail operations will create over 6,000 jobs, \$366 million in salary and wages, and \$468 million in business revenue within the county.

Carolina North is expected to generate \$9.0 million in sales and property tax revenues by the end of Phase 2. While these revenues go to multiple government entities (the independent school district, Carrboro, Chapel Hill, and Orange County), this represents over 40 percent of the \$22 million budget adopted by the town of Carrboro for 2004-2005. This estimate does not include the non-recurring \$1.0 million in sales tax revenue generated in the county by construction expenditures during this period.

Additional impacts of Carolina North will be realized over the long term, through the results of increased research and innovation. With the ability to attract top faculty, students, companies, and other researchers, Carolina North has the potential to transform the University of North Carolina into a first class research institute. The local and regional economies, and the entire state of North Carolina, stand to benefit from the expanded intellectual capacity and increased innovation Carolina North has the potential to provide.

Carolina North Economic Impact Analysis, a report compiled by Market Street in November 2004.

Action Step: Continue and expand the ongoing work of the Chamber's Small Business Program.

Currently, the Chamber's Small Business Program offers seminars and workshops for small and medium-sized firms in a variety of sectors to help educate them about issues and available programs related to business ownership. Often these programs are done with the support of representatives of the Heart of Texas Business Resource Center, the Small Business Development Center, and the Center for Entrepreneurship at Baylor.

Several strategic action steps can be done to expand the work of the Chamber to educate and assist prospective and current small and medium-sized business owners. First, the Chamber should establish a working group of the Chamber staff responsible for the Small Business Program, and representatives of the Heart of Texas Business Resource Center, the Small Business Development Center, and the Center for Entrepreneurship at Baylor. The group's mission should be to develop a coordinated system of providing assistance to prospective and current small business owners, to ensure no unnecessary overlap of services or programming occurs. By identifying ways to make Greater Waco's small business support system more cohesive, the working group will be able to better and more efficiently serve the business community.

The working group can also identify solutions for key issues and opportunity areas. For example, one initiative of the working group should be to improve the accessibility of services by liberalizing participation requirements, and potentially identifying ways to subsidize certain program costs.

For the seminars and workshops offered by the Chamber in the future, strategic decisions should be made about what topics and issues are addressed in order to focus on the key small business opportunity areas for Greater Waco. Initially, those key areas, as identified in this strategy, should be: 1) boutique retail, restaurant, and music venue development in downtown Waco and on the Brazos riverfront; 2) Professional Services firm development and support; and 3) ventures focused on commercializing new products and processes.

Action Step: Establish incubator space for lifestyle businesses.

An incubator focused on lifestyle businesses, providing shared space, fax machines, copiers and other necessary equipment, helps support these businesses in their earliest phase of operations by reducing overhead costs. A key initiative of the Chamber's Small Business Program and the working group described in the previous action step should be raising support and the necessary financial resources for opening a lifestyle business incubator, best located in downtown Waco.

Action Step: Establish a forum for entrepreneurs to network with each other, and use this and other means to raise awareness in the community about the small business resources available to prospective and existing small business owners.

Potentially as a sub-group of the Chamber's existing Networking Forum, the Chamber should establish an Entrepreneurial Networking Group for local small businesspeople and fledgling entrepreneurs. This group's events can include the workshops and seminars run by the Small Business Program of the Chamber, as well as more networking-focused activities. The Chamber staff responsible for the Entrepreneurial Networking Group should help connect prospective small business

owners with existing small and medium-sized business owners so that they can develop peer-to-peer mentor relationships.

The Chamber's small business staff should also focus on establishing relationships with community leaders, faith-based and social service organizations, and educational and civic institutions to help identify ways to ensure every potential entrepreneur within the community is aware of available assistance and programs. The efforts to reach out to other community groups will help expand the reach of the small business support services and programs of the Chamber, Heart of Texas Business Resource Center, the Small Business Development Center, and the Center for Entrepreneurship at Baylor. This will help ensure all prospective small business owners are aware of the many opportunities available to them.

Action Step: Develop sustainable local funding sources for entrepreneurs and small businesses, and leverage all potential financial resources.

Greater Waco has a very competitive banking market, and the Chamber should work with local financial institutions to ensure that they are utilizing all available U.S. Small Business Administration loan programs. If needed, these efforts should include providing local banks with information and training about the loan programs.

Local banks are a key potential partner in economic development efforts, and they should be recognized as such by continuing to include representatives of the banking community on relevant boards of directors and advisory committees, and encourage them to volunteer as mentors for local small businesses.

The Central Texas Venture Capital Group was established to help fund new business opportunities, and a concentrated effort should be made to expand this group's resources to achieve its purpose. To do this, the Chamber should work with the community's wealthy individuals to gauge interest in establishing an "angel" investors network for both high-growth and lifestyle entrepreneurs to raise more seed funding and venture capital.

Action Step: Explore the development of a staffed Minority Enterprise Office.

The Greater Waco Chamber should partner with the Hispanic and African American Chambers to open a Minority Enterprise Office in the community. The Office would be responsible for pursuing all available funding opportunities, coordinating minority business initiatives, and providing start-up and expansion assistance to minority-owned companies in Greater Waco. The following are some steps necessary for the success of a minority enterprise office's work:

- ✓ Pursue assistance from existing state and national-level minority enterprise development programs;
- ✓ Work with neighborhood leadership, elected officials, faith-based organizations, and others, to fully market programs to all eligible residents;
- ✓ Identify new business opportunities, form client relationships, and pursue government contracts for eligible minority-owned enterprises; and
- ✓ Seek knowledgeable volunteers to provide hands-on community outreach and individualized business development assistance to underserved local constituencies (with bilingual volunteers and materials available).

Action Step: Initiate a region-wide effort to recruit small businesspeople to Greater Waco by marketing the community as an ideal place to live and do business.

As will be addressed more comprehensively in *Goal 3: Change Perceptions*, Greater Waco should market itself as an ideal place for fledging entrepreneurs to start a business. This can be achieved via a marketing effort that focuses on the competitive advantages of Greater Waco, which include: strategic central Texas location, low costs of living and doing business, amenities characteristic of a big city, and quality of life characteristic of a small town. To achieve the intent of this action step, the marketing effort should target university, public, and private small business development and research programs in Dallas, Ft. Worth, Austin, San Antonio, Houston, Killeen, Temple, and College Station. This effort should include prominent placement in local business and community media to which these constituencies are regularly exposed.

Action Step: Increase entrepreneurial education and exposure to small business development in K-12 schools.

Entrepreneurial drive is developed at a young age; therefore, the K-12 educational system has a key role to play in raising awareness about the opportunities and advantages owning a business provides to an individual. Through its existing relationships, such as Partners in Education, the Chamber should encourage and support entrepreneurial education as a key component of existing and future career awareness programs in the county's public school systems.

OBJECTIVE 3: DEVELOP AND EXPAND THE TARGET BUSINESS SECTORS TO CREATE ADDITIONAL JOBS AND STRENGTHEN THE DIVERSITY OF THE ECONOMY.

The *Target Business Analysis* outlined six targets that provide a range of job opportunities for various skill levels in the community: Aerospace and Defense, Advanced Manufacturing, Health Care, Logistics and Trade, Professional Services, and Tourism and Downtown Development. Each target should be expanded by new business development (addressed in Objective Two), existing business retention and expansion (addressed in Objective One), and recruitment. As stated in the *Target Business Analysis*, the targets represent priority investment areas, but the target development efforts do not preclude Greater Waco from responding to opportunities that arise in other areas.

The following are action steps to address the key opportunity areas that are applicable to each target. Education and workforce development are also important to this process; however, some of these needs will be more generally addressed in *Goal 2: Develop the Workforce*.

AEROSPACE AND DEFENSE

Aerospace and Defense is a long-standing target in Greater Waco that should continue to be expanded. The NAICS codes of Aerospace and Defense for Greater Waco to target are:

- 3345 Navigational, Measuring, Electro-medical and Control Instrument Manufacturing
- 3364 Aerospace Products and Parts Manufacturing
- 481 Air Transportation
- 4881 Support Activities for Air Transportation
- 54133 Engineering Services
- 5415 Computer Systems Design and Related Services
- 54171 Research and Development in Physical, Engineering, and Life Sciences

Action Step: Continue the efforts of the Aerospace-Aviation-Defense Industries Alliance to work together to obtain sub-contracts and other economic opportunities.

The Aerospace-Aviation-Defense Industries Alliance should continue existing efforts, always making sure it accomplishes the following tasks:

- ✓ Discuss business challenges and opportunities, and collaborative approaches to resolving them;
- ✓ Seek the help of and communicate with economic development officials; and
- ✓ Ensure training and other workforce needs are being met by the community's education system.

The Chamber should continue to be a resource to help existing employers' efforts to obtain more sub-contracting opportunities with Lockheed Martin, Boeing, and other large companies, as well as direct contracts with the Departments of Defense and Homeland Security. These ongoing efforts of the Alliance are a key piece of its current success, and will continue to be important moving forward.

Additionally, the efforts of the Alliance to encourage collaborative research should be a key piece of its ongoing mission. The Chamber should continue to be a resource for helping to maintain strong relationships between the Alliance firms and local higher educational institutions. A collaborative research effort of local aviation and defense firms and related research activities at Baylor and TSTC-W could provide the foundation necessary for creating strong growth in the aerospace and defense sector in Greater Waco.

The collaborative research activities could have significant high-growth potential if they leverage the ongoing nanotechnology research of Baylor and TSTC-W for application in aircraft parts, modification, and design. Nanotechnology-developed products are considered by many experts to be the next high-impact wave to hit the national economy. Greater Waco can be part of that wave if it develops this partnership to leverage the economy's existing aircraft niche-market and the ongoing nanotechnology research activities of Baylor and TSTC-W.

Action Step: Actively recruit aerospace and defense companies to Greater Waco.

Recruitment efforts should focus on creating buyer and supplier linkages with existing Greater Waco aerospace and defense firms. Potential firms to recruit to strengthen these linkages should be identified as part of the expanded business retention and expansion program described in Objective One.

Also, Greater Waco should position itself as the ideal central location for strengthening buyer and supplier linkages with aerospace and defense firms in

Dallas-Fort Worth, Houston, and San Antonio (each identified by the State of Texas as regional aerospace and defense clusters). To maximize potential results, Greater Waco's location in the center of these large metropolitan areas with strong aerospace and defense sectors should be the defining message in recruiting this target.

Another key component of the recruitment efforts will be to continue to sell prospective employers on the advantages of the Waco International Airpark, and taking reasonable measures to accommodate sites for specific prospective employers' needs (coordinated as part of the ongoing work of the Waco Industrial Foundation).

Finally, the Chamber should identify local Aerospace and Defense business representatives to play an integral role in supporting the recruitment efforts by talking with prospects. New participants should be provided formalized training on the optimal means of assisting with prospect relations.

Action Step: Work with the State of Texas to leverage applicable programs related to the State's Aerospace and Defense target efforts.

As the State of Texas' target efforts expand, the Chamber should be proactive about identifying potential opportunities for Greater Waco related to the State's Aerospace and Defense target development efforts. The State efforts are still evolving; to take advantage of what opportunities arise, the Chamber staff responsible for the Aerospace and Defense target should maintain strong relationships with the appropriate people in State government. While the process is in this early stage, now may be a good time to approach the State with any specific needs Greater Waco identifies. Additionally, the State will soon develop working teams for specific cluster and cross-cluster issues; the Chamber should contact the State about becoming involved in that process. That way, Waco can take early action to leverage State efforts.

ADVANCED MANUFACTURING

The Advanced Manufacturing target includes the following broad NAICS codes, with more specific strengths and opportunities outlined in the *Target Business Analysis*.

- 332 Fabricated Metal Products Manufacturing
- 336 Transportation Equipment Manufacturing
- 334 Computer and Electronic Products Manufacturing
- 333 Machinery Manufacturing
- 335 Electrical Equipment, Appliances, and Components Manufacturing
- 326 Plastic and Rubber Products Manufacturing

Action Step: Establish a Greater Waco Advanced Manufacturing Alliance.

The Advanced Manufacturing Alliance should be modeled after the successful efforts of the Aerospace-Aviation-Defense Industries Alliance in order to maintain communication between key advanced manufacturing employers and economic and workforce development representatives to:

- ✓ Discuss business challenges and opportunities, and collaborative approaches to resolving them;
- ✓ Seek the help of and communicate with economic development officials; and
- ✓ Ensure training and other workforce needs are being met by the community's education system.

Existing strengths within Advanced Manufacturing can be represented by a few large employers in the sector, as described in more detail in the *Target Business Analysis*, and include: Huck Fasteners, Central Texas Iron Works, Alamo Steel Company, Davis Steel Services, Merrick Engineering, CertainTeed Corp., Colorite Plastics, and Manitou North America. These, as well as small employers within the sectors of this target, should be included in the Alliance (as the aerospace and defense alliance does).

Like the Aerospace-Aviation-Defense Industries Alliance, the Advanced Manufacturing Alliance should include efforts to develop collaborative research partnerships between private companies and Baylor and TSTC-W. The work of these partnerships could result in nanotechnology and other research-developed new products for these and other companies within the sectors of Machine Shops and Threaded Products, Architectural and Structural Metals, Plastics Products, Rubber Products, and Other General Purpose Machinery.

Action Step: Use the existing Area Industry Managers Group as a forum for identifying the overlapping needs of businesses in Aerospace and Defense, Advanced Manufacturing, and other local manufacturers.

The Chamber's existing Area Industry Managers is a long-established group of Greater Waco's large employers in a variety of sectors – including firms in Aerospace and Defense, Advanced Manufacturing, Food, and other manufacturers in Greater Waco. As a forum for presenting best practices and networking opportunities for Waco's largest manufacturers, this group has a key role to play in the community's economic development efforts.

It is within this forum that the work of the Aerospace-Aviation-Defense Industries Alliance and the Advanced Manufacturing Alliance should be brought together to address common needs. However, because of its critical role as a more broadly focused economic council, the Industry Managers group does not supersede the work

of either of the target business alliances to address concerns specific to those targets, as well as the concerns of smaller manufacturers within them.

Action Step: Actively recruit Advanced Manufacturing companies to Greater Waco.

In addition to a focus on outside firms, recruitment efforts should be focused on creating buyer and supplier linkages. These opportunities should be identified as part of the business retention and expansion program described in Objective One. Like the Aerospace and Defense recruitment efforts, the Chamber should have local Advanced Manufacturing business representatives help to build relationships with prospects. Appropriate, formalized training programs should be provided to the Advanced Manufacturing business representatives as well.

To leverage Waco's strategic location on Interstate 35, the Advanced Manufacturing target efforts should also focus on identifying opportunities related to strengthening linkages for firms in Laredo, San Antonio, Austin, and Dallas-Forth Worth (each identified by the State of Texas as having an existing Advanced Manufacturing regional cluster). Chamber communications with local and regional firms will be the means of identifying these types of opportunities.

Action Step: Work with the State of Texas to leverage applicable programs related to the State's Advanced Manufacturing target efforts.

As the State of Texas' target efforts expand, the Chamber should be proactive about identifying potential opportunities for Greater Waco related to the State's Advanced Manufacturing target. As with the State's Aerospace and Defense target efforts, the Advanced Manufacturing target efforts are not fully developed. Again, the Chamber staff responsible for Advanced Manufacturing target efforts should maintain strong relationships with the appropriate people in State government, and contact the State about becoming involved with the cluster implementation working teams. That way, Greater Waco can take early action to leverage State efforts.

HEALTH CARE

Outlined in detail in the *Target Business Analysis*, the choice of Health Care as a target was based on expected strong growth nationally in the sector, and Greater Waco's existing strengths in health care services, manufacturing, and wholesale trade. The NAICS codes officially included in this target are:

- 621 Ambulatory Health Care Services¹⁴
- 622 Hospitals
- 623 Nursing and Residential Care Facilities
- 3254 Pharmaceutical and Medicine Manufacturing
- 3391 Medical Equipment and Supplies Manufacturing
- 4242 Druggists' Goods Merchant Wholesalers
- 42345 Medical Equipment Merchant Wholesalers

Action Step: Establish a Greater Waco Health Care Alliance.

The Health Care Alliance, which should be modeled after the successful efforts of the Aerospace-Aviation-Defense Industries Alliance, will provide a means for maintaining communication between health care employers and economic and workforce development representatives to:

- ✓ Discuss business challenges and opportunities, and collaborative approaches to resolving them;
- ✓ Seek the help of and communicate with economic development officials; and
- ✓ Ensure training and other workforce needs are being met by the community's education system.

The Alliance should be made up of representatives of Providence Healthcare Network, Hillcrest Health System, VA-Hospital, Allergan, Heart of Texas MHMR, Blue Cross Blue Shield, Spenco Medical Corporation, WRS Group, Inc., and smaller health care manufacturers, wholesalers, and service providers (including offices of physicians and other health practitioners, home health care services, and nursing and residential care facilities).

Like the Aerospace and Defense and Advanced Manufacturing Alliances, the Health Care Alliance should include efforts to develop collaborative research partnerships between private companies and TSTC-W and Baylor, to leverage the University's Center for Drug Discovery and other research efforts at both schools. Additionally, the Alliance and the Chamber should play a role in identifying potential relationships

¹⁴ Includes offices of physicians, dentists, and other health practitioners; outpatient care centers; medical and diagnostic laboratories; home health care services; and other ambulatory health care services.

and opportunities that can be derived from research in neighboring areas, for example, at Temple's new Cancer Research Institute at Scott and White Hospital.

Action Step: Actively recruit specific health care companies to Greater Waco.

Recruitment efforts should be focused on firms in existing sub-sector strengths and complementary businesses in health care services, and manufacturing and wholesale trade of pharmaceuticals, medicines, and medical equipment and supplies. Again, the potential for strengthening buyer and supplier linkages can be identified in the expanded business expansion and retention program described in Objective One. As with the two previous manufacturing targets, health care business representatives should receive training to assist in recruitment efforts.

Action Step: Actively recruit students and develop retention-support programs for high demand occupations in the Health Care sector.

Health care professional recruitment efforts can be focused on specialists living outside Greater Waco, as well as current students in high school and higher education degree programs. The objectives of *Goal 3: Change Perceptions* will enhance recruitment of outside specialists to the area.

The student recruitment efforts should be focused on raising awareness of the competitive wages, job security, and advancement opportunities a health care career can provide. The Brazos Area Health Education Center (BAHEC) already has programs focused on that goal for grades K-12, of which many McLennan County public schools have taken advantage. Through its existing relationships, such as Partners in Education, the Chamber should be a leading advocate for schools to continue to take advantage of BAHEC's health care career awareness programs.

The BAHEC also has a program where existing nurses mentor students in nursing programs. Both nurse-to-student and nurse-to-nurse mentoring can help in the retention of nurses, a typically high-turnover occupation. Working with BAHEC and local Health Care sector employers, the Chamber should determine interest levels for developing a network of nurse mentors in Greater Waco, and support the implementation of a program (which can be organized as part of the work of the Health Care Alliance described in the previous action step).

Action Step: Work with the State of Texas to leverage applicable programs related to the State's Biotechnology and Life Sciences target efforts.

The State of Texas is currently in early implementation phases of its target business sector efforts. The Chamber should be proactive about identifying potential opportunities for Waco related to the State's Biotechnology and Life Sciences target.

To do so, the Chamber staff responsible for Health Care target efforts should maintain strong relationships with the appropriate people in State government, and become involved in relevant State cluster working teams. That way, Greater Waco can take early action to leverage State efforts.

Action Step: Continue efforts to save the VA Hospital-Waco.

Breakthrough Initiative:
Save the VA Hospital-Waco and expand its mission here.

The U.S. Department of Veterans Affairs (VA) Hospital in Waco is a critical resource for serving local veterans’ medical needs and an important contributor to the regional economy’s Health Care sector. The VA Department has proposed possibly closing the facility as part of a nation-wide effort to streamline medical services and downsize or close older hospitals. Waco’s VA Hospital is 73 years old, and has a long history of proving itself as a vital provider of health care service for veterans and contributing to the Greater Waco economy.¹⁵

In September 2005, a report was released outlining 17 possible futures for the hospital and its operations, some of which involve keeping key services and even expanding the operations of the hospital in Waco. Through the Local Advisory Panel, the Chamber and its partners should continue to aggressively advocate for the scenarios in which the VA Hospital’s services are expanded, or at least maintained, in Waco, so that the community can continue to benefit from the health care services and economic opportunities the hospital provides to the community.¹⁶

As the process proceeds, the Chamber should start building relationships with public and private partners to develop a contingency plan for the use of the building, to prepare for the possibility of the federal government deciding to relocate the facility’s services.

¹⁵ Genz, Dan. “Research needs bring more delays in VA study.” *Waco Tribune-Herald*. 11 June 2005. Accessed 21 June 2005.

<http://www.wacotrib.com/news/content/news/stories/2005/06/11/20050611wacvastudydelays.html>

¹⁶ Genz, Dan. “Report suggests many possible scenarios for Waco VA Hospital.” *Waco Tribune Herald*. 14 September 2005. Accessed 14 September 2005.

<http://www.wacotrib.com/news/content/news/stories/2005/09/14/20050914wacwacova.html>

LOGISTICS AND TRADE

Targeting logistics and trade-related firms allows Greater Waco to maximize the potential of its strategic location in the center of Texas' largest metropolitan areas. Outlined in more detail in the *Target Business Analysis*, the Logistics and Trade target includes the following NAICS codes.

- 481 Air Transportation
- 482 Rail Transportation
- 484 Truck Transportation
- 488 Support Activities for Transportation
- 493 Warehousing and Storage
- 423 Merchant Wholesalers, Durable Goods
- 424 Merchant Wholesalers, Nondurable Goods
- 425 Wholesale Electronic Markets and Agents and Brokers

Action Step: Maintain regular communications with Logistics and Trade firms to identify opportunities and resolve needs.

As part of the existing business retention and expansion program described in Objective One, the Chamber should build relationships with Logistics and Trade firms to discuss business challenges and opportunities, offer assistance as needed and appropriate, and ensure training and other workforce needs are being met by the community's education system. For example, the Chamber should maintain efforts to identify new opportunities to apply for State of Texas Self Sufficiency Fund grants in partnership with TSTC-W and local firms.

To coordinate a regional approach to strengthening the Logistics and Trade sector with Waco at its center, the Chamber should host semi-annual Logistics and Trade business meetings. At the meetings, buyers, suppliers, and distribution firms would come together to network, attend informational programs, and listen to guest speaker lectures. Attendees should include represents of firms in Waco, Austin-Round Rock, College Station-Bryan, Dallas-Fort Worth-Arlington, Houston-Sugar Land-Baytown, and San Antonio.

Action Step: Actively recruit Logistics and Trade companies to Greater Waco.

Recruitment decisions should be made based on developing a wide range of services in Greater Waco, from trucking to warehousing to supply chain software. Pursuing opportunities that will leverage Baylor's and TSTC-W's research and training programs related to RFID (radio frequency identification) technology, discussed in

more detail in the *Target Business Analysis*, will also help strengthen business activity and best leverage Greater Waco's existing strengths in the field.

Also, the Chamber should train and involve existing leaders in Logistics and Trade to help build the relationships necessary for successful recruitment. Key to the effort will be marketing Greater Waco's strategic location in Central Texas, and focusing on firms that have significant Texas-based operations.

Action Step: Expand education and training programs at Baylor, TSTC-W, and MCC for logistics-related occupations.

From industrial and systems engineers to truck drivers, gaps in existing education programs should be filled to ensure the entire spectrum of training opportunities to meet the needs of existing and prospective employers is available to Greater Waco's residents. The Chamber should engage existing employers, the higher education institutions, and public school systems in a process to identify and fill these training needs. These training programs should include opportunities for the long-term unemployed and displaced workers.

Action Step: Identify and inventory prime sites and buildings for Logistics and Trade firms, and encourage the development of these properties and facilities to be compatible with the technology-driven nature of distribution operations today.

These efforts should focus on sites and buildings with the capacity for at least 100,000 square feet of space (even 250,000 to 300,000 square feet), and that are in prime locations (i.e., in close proximity to TSTC-W Airport, Waco Regional Airport, existing railroad spurs, and Interstate 35). Coordinated as part of the ongoing work of the Waco Industrial Foundation, these efforts should be prioritized with well-thought-out investments, as expected short-term demand for these types of buildings requires.

PROFESSIONAL SERVICES

Development of Professional Services will be a different kind of target effort, not only due to the nature of the businesses included, but also because it was selected because the following NAICS codes are currently underserved in Greater Waco (as measured by location quotients):

- 5411 Legal Services
- 5412 Accounting and Bookkeeping Services
- 5413 Architectural and Engineering Services
- 5414 Specialized Design Services¹⁷
- 5416 Management and Technical Consulting Services
- 5418 Advertising and Related Services
- 5419 Other Professional, Scientific, and Technical Services¹⁸

Breakthrough Initiative:
Leverage the resources of the region’s colleges and universities to support employers who require persons with college degrees and attract and retain a younger, more qualified and better educated workforce .

It is important to note that a key element of expanding Professional Services will be to attract and retain more young professionals, who were identified in the research component of this process to be an underrepresented portion of Greater Waco’s workforce. The attraction and retention of young professionals can be advanced by retaining more Baylor graduates (addressed in *Goal 3: Change Perceptions*) and creating a vibrant downtown with boutique retail, restaurants, and music venues which are attractive to young professionals (addressed in *Goal 4: Revitalize Strategic Community Areas*).

Action Step: Interview local firms in all sectors to identify what types of professional services they currently obtain from firms located outside Greater Waco, and what changes could be made to encourage them to obtain these services locally.

This interview process should be accomplished as part of the Chamber’s business retention and expansion efforts detailed in Objective One of this goal. Making these calls will be a critical first step in determining how to reverse the loss of local money spent on Professional Services firms located elsewhere. In addition to acting on the findings of this interview process, Greater Waco should implement a “buy local” marketing campaign to encourage Greater Waco firms to obtain professional services locally.

¹⁷ Includes interior design, industrial design, graphic design, and other specialized design services.

¹⁸ Includes marketing research and public opinion polling, photography, translation and interpretation, veterinary, and other services not covered elsewhere.

Additionally, when making the phone contacts with local firms, the Chamber should remind and encourage them to obtain services from Professional Services firms participating in the existing Chamber XChange Program.

Action Step: Communicate with existing Professional Services firms to identify their primary needs and opportunities to expand their business.

As part of the business retention and expansion efforts detailed in Objective One of this goal, the Chamber should work with local professional service firms and other relevant parties to help facilitate their expansions. Growing these existing firms will be a key to expanding Professional Services in Greater Waco.

Additionally, when making the phone contacts with local Professional Services firms, the Chamber should encourage them to offer discounts or offer services to other local firms via the Chamber XChange Program.

Action Step: Set up a support network for professionals interested in opening their own firms.

Encouraging and supporting the start-up of new firms will also help expand Professional Services in Greater Waco. The Entrepreneurial Networking Group described in Objective Two should be inclusive of professionals interested in becoming a principal in their own firm. The Chamber should work with these individuals to help them gain the knowledge and expertise necessary to successfully open a new establishment.

TOURISM AND DOWNTOWN DEVELOPMENT

The Tourism and Downtown Development target includes employment opportunities, and tourist support services, in the following NAICS codes:

- 711 Performing Arts, Spectator Sports, and Related Industries
- 712 Museums, Historical Sites, Zoos, and Parks
- 713 Amusements, Gambling and recreation
- 721 Accommodations
- 722 Food Services and Drinking Places
- 485 Transit and Ground Passenger Transportation
- 487 Scenic and Sightseeing Transportation
- 5615 Travel Arrangement and Reservation Services

A key component of the tourism target business sector efforts is significant investment in revitalizing downtown Waco. This vital initiative is addressed in *Goal 4: Revitalize Strategic Community Areas*.

Action Step: Develop a Greater Waco tourism plan to address marketing, product development, and infrastructure development.

Greater Waco already has numerous tourist attractions, but there is a need to package and “sell” them to prospective visitors. The Chamber should collaborate with the Waco Convention and Visitors Bureau, other local communities with tourism assets, Downtown Waco, Inc., and other related partners, in an inclusive effort to develop a comprehensive tourism plan to address marketing, further product development, and infrastructure development necessary for a successful tourism growth campaign. The marketing component should be accomplished jointly with the external marketing efforts described in *Goal 3: Change Perceptions*.

During focus groups and interviews, participants provided several ideas for tourism-related product and infrastructure development that are listed below for consideration for the comprehensive tourism plan. The first two bullet points will be addressed in more detail in *Goal 4: Revitalize Strategic Community Areas*. To ensure a truly comprehensive plan for tourism and opportunities related to downtown Waco and the Brazos riverfront, the tourism plan should be developed in collaboration with the efforts to implement *Goal 4*.

- Boutique shopping; restaurants; music venues (i.e., piano and jazz bars); and related development in downtown and along the Brazos riverfront;
- Hotel and convention center development/renovation in downtown and along the Brazos riverfront;
- George W. Bush Presidential Library;
- Recreational activities on the Brazos River and Lake Waco;
- Transit services to and from hotels, restaurants, shopping, and tourist attractions; and
- Opening the Waco Mammoth Site to the public.

**Breakthrough Initiative:
Win the George W. Bush Presidential Library Center for Waco.**

The George W. Bush Presidential Library is considered a key opportunity to expand tourism in Waco by many in the community (77 percent of online survey respondents considered it an important or high priority initiative of the community). Baylor University is a key player in the effort to lobby the administration to choose Waco as the location of the library, and has made many positive steps toward success. The Chamber should continue to work closely with Baylor to identify how the Chamber can help ensure the success of the effort.

Action Step: Set up a support network for individuals interested in opening a boutique retail shop, restaurant, or another positive addition to the attractions of downtown and the Brazos riverfront.

A component of the Entrepreneurial Networking Group proposed in Objective Two should be individuals wanting to start a lifestyle business that would help increase tourist-related activity. Encouraging and supporting the start-up of boutique shops, restaurants, bars, and clubs in downtown and on the Brazos riverfront will be a key to enhancing Greater Waco’s attractiveness as a place to visit and live.

Action Step: Pursue a funding source for the implementation of a comprehensive downtown and Brazos riverfront development plan.

While Downtown Waco, Inc. has made significant strides in its work, more needs to be done. Obtaining adequate financial resources for implementation is the primary barrier at this point in time. This need will be addressed more specifically in *Goal 5: Build a Culture of Implementation*.

OBJECTIVE 4: STRENGTHEN REGIONAL PARTNERSHIPS.

Many of Greater Waco’s businesses draw workers from neighboring counties. When businesses consider relocating to Waco, they very likely take into consideration the demographics and economics of Greater Waco’s neighbors to assess the labor market at a regional level. In the *Demographic and Economic Profile* of this strategy development process, a labor market of the following eight counties was identified for Greater Waco: Bell, Bosque, Coryell, Falls, Hill, Limestone, McLennan, and Navarro (total population of 689,767 in 2004).

Additionally, Greater Waco’s economy can benefit from research and business development efforts ongoing in nearby local economies. Ultimately – individually and collectively – Central Texas will be in the most advantageous economic position if local chambers and other economic development organizations from throughout the region work together to achieve common goals. This should occur for Greater Waco’s immediate region encompassing the eight counties listed above, as well as through the effective leveraging of opportunities that arise from the metropolitan areas of Austin-Round Rock, College Station-Bryan, Dallas-Fort Worth-Arlington, Houston-Sugar Land-Baytown, and San Antonio.

Action Step: Focus on the regional labor market when preparing demographic and economic information for prospects.

To more effectively cater to businesses’ needs and sell Greater Waco as a destination of choice for companies, the Chamber should include relevant demographic, economic, education, workforce development, infrastructure, business costs and

services, and quality of life characteristics of Greater Waco's eight-county labor market.

Action Step: Raise support for a Heart of Texas Collaborative Economic Development Council.

Currently, the Chamber has an Area Economic Development Council of leaders throughout McLennan County to "build unity as a team." A similar council should be created of chamber of commerce and other economic development leadership in Bell, Bosque, Coryell, Falls, Hill, Limestone, McLennan, and Navarro Counties. This council will build unity at a regional level to enable more collaborative efforts to strengthen the individual and collective economic health of the region.

The first step of this process will require the Greater Waco Chamber to reach out to the leadership of these organizations, and garner support for the idea. Once a "quorum" of participating organizations is achieved, quarterly meetings should commence. The participating organizations should continue to solicit the remaining regional economic development leaders to participate in this important effort.

Action Step: Effectively leverage Greater Waco's recognized position as a partner in regional research and economic development collaborations.

Greater Waco is currently a partner in the Digital Convergence Initiative; Big XII Center for Economic Development, Innovation and Commercialization; and North Texas Regional Center for Innovation and Commercialization (RCIC) for the Emerging Tech Fund. Each of these is dedicated to expanding high-tech and other advanced research-related business opportunities. The Chamber should continue to be an active participant in these and future opportunities that arise that will serve the local business and research community. The Chamber should also help connect locally formed university-business research partnerships to available grant opportunities from these programs

Particular focus should be placed on how these regional collaborations can aid businesses within the target business sectors that were identified in this process as priority economic opportunities. Additionally, opportunities that expand Baylor's R&D potential, such as the Big XII collaborative, should be given particular attention.

OBJECTIVE 5: ENSURE THAT LOCAL INFRASTRUCTURE IS ADEQUATE TO SUPPORT EXISTING RESIDENTS AND BUSINESSES, AS WELL AS FUTURE GROWTH.

The maintenance and improvement of basic infrastructure needs is necessary for retention, expansion, and recruitment of the targets, as well as other business operations. This objective addresses the primary infrastructure needs of Greater Waco, including its airports, railways, highways, telecommunications capacity, and water systems. Major attention needs to be paid to physical accessibility to major metropolitan areas and telecommunications infrastructure.

Action Step: Work with local businesses, TSTC-Waco Airport, Waco Regional Airport, and McGregor Airport to maintain resources and capacity to serve current aircraft for both air cargo and air passenger travel.

Maintaining the capacity and infrastructure at the local airports to meet the air transportation needs of individuals and businesses will be important for Greater Waco to remain competitive. The Chamber can play a central role in keeping the airports and businesses in communication to identify and resolve needs, and that can be done as part of the work of the Aerospace-Aviation-Defense Industries Alliance and the communications with firms in the Logistics and Trade target business sector described in Objective Three of this goal.

Action Step: Continue efforts to lobby airlines for lower fares and more direct flights out of Waco Regional Airport, and continue to market the benefits of using the airport to area residents.

The Waco community has successfully lobbied for the reduction of air fares from Waco Regional Airport in the past, and this should be an ongoing mission of the Chamber. Additionally, focus group and interview feedback revealed that many Greater Waco residents do not recognize Waco Regional Airport as a competitive choice for air travel.

Also, the efforts of the Air Marketing Task Force should continue. To expand its marketing efforts and increase awareness about the airport's advantages, the Task Force should obtain professional marketing services to develop a comprehensive marketing effort including print, radio, and television advertisements (including community and Baylor media outlets) for the airport with a strong "buy local" type of message. This could effectively be done as a component of the internal marketing strategy developed as part of *Goal 3: Change Perceptions*, to be described later in this report. The core message of the effort should encompass the concepts of showing pride and support for Waco's local economy by utilizing Waco Regional Airport for

personal and business travel, and the advantages of the airport’s accessibility, short security wait times, and free parking.

Action Step: Pursue the possibility of improving inter-modal transportation options in Greater Waco.

To be more competitive in rail transportation and better maximize the potential of the community’s existing rail resources, Greater Waco would benefit from having stronger inter-modal transportation options. One key potential need is direct access between the Union Pacific rail line and TSTC-Waco Airport. Incorporating a truck transportation hub into the airport’s infrastructure could also be beneficial. Looking ahead, the Chamber should lobby for the proposed TransTexas Corridor (the subject of the next action step) to have direct access to TSTC-Waco Airport.

As Waco’s Logistics and Trade sector grows, existing infrastructure could become strained. The Chamber should therefore continue conversations with Union Pacific, TSTC-Waco Airport, proponents of the TransTexas Corridor, and local transportation firms to determine if more should and could be done to improve inter-modal connectivity in Greater Waco.

Breakthrough Initiative:
Influence the location and design of the TransTexas Corridor in Greater Waco and locate a stop on the high-speed passenger rail line in downtown Waco.

Action Step: Proactively lobby for the TransTexas Corridor to be located to best serve Greater Waco’s economic sustainability.

The details of the \$180 billion TransTexas Corridor Plan are not finalized. The potential of this state-level project for the improvement of passenger and freight transportation services, and telecommunication utility lines, is immense. The TransTexas Corridor and High-Speed Rail Committee should continue to proactively lobby for the corridor to be located in the most strategic location to serve Greater Waco’s business interests, and have a high-speed passenger rail stop in downtown Waco. This effort is vital to ensure Waco will continue to be the primary stop for personal and business travel between Austin and Dallas-Fort Worth.

Action Step: Make strategic decisions about necessary highway and roadway improvements.

As discussed in the *Competitive Assessment* of this strategy development process, current projects are underway to make improvements to I-35, State Highway 6, Loop 340, and certain local roads. Highway and road networks are necessary for businesses to fully leverage Greater Waco’s strategic location and maintain easy access to Austin, Dallas-Fort Worth, Houston, and San Antonio. The Chamber should continue to monitor businesses’ identification of existing and projected future deficiencies in Greater Waco’s highway and road infrastructure, and then lobby the appropriate local, state, and federal officials to make improvements when necessary.

Action Step: Continue ongoing efforts to improve the quality and availability of the water supply.

The Water Quality Task Force of Waco works to strengthen permitting regulations and their implementation to improve water quality in the community. The Task Force should continue to proactively monitor and maintain water quality and supply, as demand requires, as well as maintain a county-wide, inclusive approach to fulfilling water and sewer needs.

Additionally, the current project to upgrade the Brazos River dam to maintain a stable water-level year-round should be considered a key initiative. Maintaining the beauty of the Brazos River will be necessary for expanding development and tourist activity on the riverfront. The Chamber should continue to work with local leaders to identify what role the Chamber can play to ensure this project is a success.

Action Step: Provide the most advanced telecommunication infrastructure available to individuals and businesses in Greater Waco.

Overall, focus group and interview participant feedback revealed that the Greater Waco community is satisfied with the available telecommunications infrastructure. However, technology changes virtually every day, and the communities that stay at the cutting-edge will have a distinct competitive advantage.

A growing trend among American cities is to use municipal funds to build telecommunications infrastructure networks to create “wireless” neighborhoods to facilitate (and subsidize) remote Internet access. From Athens, Georgia to Long Beach, California, cities are establishing wireless networks in strategic neighborhoods to revitalize them and make them more attractive to business people, students, and others.¹⁹

The downtown Waco revitalization effort could get a substantial boost if the City were able to successfully pursue and implement a wireless system in this core neighborhood. The Chamber should garner support in the community for making the creation of a “wireless” neighborhood a key piece of the downtown Waco revitalization program of work, and work with Downtown Waco Inc. to determine if Public Improvement District funding can be used for this initiative. Additionally, the effort to build a “wireless” neighborhood could extend to Baylor’s immediate area. Baylor should be solicited to be a key supporter because “wireless” neighborhoods would be very attractive to students and faculty at the University.

¹⁹ Junnarkar, Sandeep. “Growth: Cities try to cash in.” CNET News.com. 3 February 2003. Accessed 12 September 2005. http://news.com.com/2009-1033-982322.html?tag=fd_lede1_hed

BENCHMARKS AND PERFORMANCE MEASURES

The following should be used to measure the success of *Goal 1: Grow Waco* implementation efforts. Each should be monitored on an annual basis. The bolded benchmarks and corresponding performance measures are the most significant.

Benchmarks

- **Maintain unemployment rates below 5 percent.**
- **Increase the labor force participation rate to 75 percent by 2010.**
- **Reduce poverty rates to less than 10 percent by 2010.**
- **Increase per capita income to \$36,000 by 2010.**
- **Maintain an annual employment growth rate of 2 percent.**
- **Maintain a responsive, fully-operating business retention and expansion program with 90 percent of Greater Waco's firms' information in a database.**
- Increase number of calls made to local businesses by 10 percent annually.
- Implement a successful Chamber marketing effort to raise awareness about its role in the community.
- **Increase the number of new business starts by 5 percent each year.**
- Increase the number of people who come to Greater Waco from elsewhere to start a company by 25 percent by 2010.
- Expand Baylor University R&D funding by 10 percent by 2010.
- Create an Advanced Research Institute in Greater Waco, with product development and incubator space.
- Establish a working group of the Chamber Small Business Program, Heart of Texas Business Resource Center, Small Business Development Center, and Center for Entrepreneurship at Baylor.
- Create an incubator for lifestyle businesses.
- Create an Entrepreneurial Networking Group.
- **Maintain available venture capital at \$5 million annually.**
- Open a Minority Enterprise Office in partnership with the Hispanic and African American Chambers of Commerce.
- Increase the number of elementary, middle, and high school students exposed to an entrepreneurial education program by 20 percent by 2010.
- Achieve an annual employment growth rate of 3 percent by 2010 in Aerospace and Defense, Advanced Manufacturing, Health Care, Logistics and Trade, Professional Services, and Tourism, each.
- Increase the number of Aerospace and Defense and Advanced Manufacturing university-business research collaborations.

- Establish a Greater Waco Advanced Manufacturing Alliance and a Health Care Alliance.
- Increase the hospital bed per capita and physician per capita figures to national averages by 2010.
- Increase retention rates of local health care professionals by 20 percent by 2010.
- Expand services at the VA-Hospital.
- Host semi-annual meetings of Logistics and Trade firms in Central Texas.
- Increase the number of two-year and four-year educational programs for occupations in Logistics and Trade.
- Increase the number of available buildings and sites for warehousing operations.
- Achieve a location quotient of 1.00 by 2010 in the following Professional Services sub-sectors: Legal, Accounting and Bookkeeping, Architectural and Engineering, Specialized Design, Management and Technical Consulting, Advertising and Related, and Other Professional, Scientific, and Technical Consulting firms.
- Establish a networking group for professionals interested in owning their own firm.
- **Achieve an annual tourist/visitor total spending growth rate of 5 percent by 2010.**
- Open the George W. Bush Presidential Library in Greater Waco.
- Respond to all business prospects with labor market information for the eight-county region of Bell, Bosque, Coryell, Falls, Hill, Limestone, McLennan, and Navarro.
- Establish a Heart of Texas Collaborative Economic Development Council.
- Increase the capacity of air cargo transportation at TSTC-W Airport and Waco Regional Airport.
- Increase passenger air travel at Waco Regional Airport by 25 percent by 2010.
- Have the TransTexas Corridor plan include a high-speed passenger rail stop in downtown Waco and have direct access to TSTC-Waco Airport.
- Enhance water quality and supply in Greater Waco.
- Maintain the stability of the Brazos River water level year-round by 2010.
- Establish a “wireless” neighborhood in downtown Waco.

Performance Measures

- ✓ **Unemployment rate, monthly and annual averages.**
- ✓ **Labor force participation rate** (defined as the number of people who are working or looking for work as a percentage of the total working age population, 18 to 69).

- ✓ **Poverty rate.**
- ✓ **Per capita income**
- ✓ **Total number of jobs, and job growth rate.**
- ✓ Percentage of firms in the business retention and expansion program database.
- ✓ Number of calls made to existing businesses.
- ✓ **Number of efforts, and amount of expenditures, in response to existing business.**
- ✓ **Amount of jobs created by existing business expansion.**
- ✓ Number of calls made to the Chamber by local businesses in need of some kind of assistance, or wanting to help support existing programs of the Chamber or the community.
- ✓ Number of those calls successfully, efficiently routed to the appropriate contact person.
- ✓ Number of new businesses opened by local and re-located residents.
- ✓ **Amount of jobs created by new businesses.**
- ✓ Amount of R&D expenditures at Baylor and TSTC-W.
- ✓ Number of meetings with key partners to create support for, develop a plan for, and open an Advanced Research Institute.
- ✓ Number of meetings of the partners of the small business working group.
- ✓ Number of meetings with key partners to create support for, develop a plan for, and open an incubator for lifestyle businesses.
- ✓ Number of attendees and meetings of the Entrepreneurial Networking Group.
- ✓ **Amount of venture capital funding available to local firms.**
- ✓ Percent of firms owned by minorities.
- ✓ Number of primary, middle, and high school students participating in entrepreneurial education programs.
- ✓ Amount of job growth in sectors of Aerospace and Defense, Advanced Manufacturing, Health Care, Logistics and Trade, Professional Services, and Tourism.
- ✓ Number of attendees and meetings of the target business sector alliances.
- ✓ Number of Aerospace and Defense and Advanced Manufacturing university-business research collaborations
- ✓ Hospital bed per capita and physicians per capita estimates.
- ✓ Retention rates of local health care professionals
- ✓ Number of meetings of the VA-Hospital Local Advisory Panel with key officials at the U.S. Department of Veterans Affairs.
- ✓ Number of attendees of the semi-annual meetings of Logistics and Trade firms in Central Texas.

- ✓ Number of two-year and four-year educational programs for occupations in Logistics and Trade.
- ✓ Number of available buildings and sites for warehousing operations.
- ✓ Location quotients of the Professional Services sub-sectors.
- ✓ Number of professional services networking meetings, and number of attendees of those meetings.
- ✓ **Total annual tourist/visitor spending.**
- ✓ Number of meetings with key local and federal persons pertaining to the George W. Bush Presidential Library.
- ✓ Number of business prospects receiving labor market information for the eight-county region of Bell, Bosque, Coryell, Falls, Hill, Limestone, McLennan, and Navarro.
- ✓ Number of participants of, and meetings of, the Heart of Texas Collaborative Economic Development Council.
- ✓ By weight and worth, amount of air cargo arriving to and leaving from TSTC-Waco Airport and Waco Regional Airport.
- ✓ Number of passengers arriving to and leaving from Waco Regional Airport.
- ✓ Number of meetings with key local and state persons pertaining to the TransTexas Corridor.
- ✓ Level of potential contaminants in the water systems, and water and sewer system capacity.
- ✓ Consistency of water-level of the Brazos River.
- ✓ Amount of funding for implementing “wireless” infrastructure in downtown Waco.

GOAL 2: DEVELOP THE WORKFORCE

Develop the workforce's ability to meet the needs of businesses by enhancing the education, training, and workforce development programs of the public school systems, higher education institutions, and other available resources.

In today's knowledge-based economy, the most competitive local economies will be those with a well-trained workforce. Therefore, workforce development is a critical element of any economic development strategy, particularly to transition the long-term unemployed into well-paying jobs. The long-term unemployed, sometimes called the "hidden" workforce, includes those who have left the workforce but would return for the right opportunity, the "underemployed" (i.e., those with a part-time job able to work full-time), those who want to upgrade their skills to obtain higher-paying employment, high school dropouts, workers displaced from low-skill occupations, formerly incarcerated individuals, persons with disabilities, and in Greater Waco, spouses of Baylor, TSTC-W, and MCC faculty.

This goal focuses on the workforce development needs of Greater Waco, from the public school systems to two and four-year degree programs. Primary and secondary education is vital to build a student's foundation for further education, because more and more job opportunities are requiring a two-year or four-year degree. Greater Waco is very competitive in providing two-year degree opportunities at McLennan Community College and Texas State Technical College-Waco, and four-year degree opportunities at the community college are increasing. Baylor is also obviously a continuing asset of the community.

This goal also addresses the need to raise awareness among the unemployed members of the workforce about the training opportunities that are available to them, as well as enhancing critical low-income labor force support services, including child care and public transportation.

OBJECTIVE 1: IMPROVE STUDENT PERFORMANCE AND INSTILL CONFIDENCE IN THE PUBLIC SCHOOL SYSTEMS.

The public school systems are an integral component of any community's education and workforce development system. Therefore, any deficiencies in the systems can hold back the economic development efforts of the entire community. Ultimately, every player – students, parents, teachers, administrators, businesses, and two-year and four-year degree institutions – must increase his or her commitment to improving the public school systems to achieve effective reform.

In recent years, Greater Waco’s public school systems have experienced both successes and set-backs, but overall momentum is heading toward positive school performance. The following action steps will help build on that momentum and further improve Greater Waco’s public school systems.

Action Step: Establish a Greater Waco Public Education Partnership.

The public school data in the *Competitive Assessment* illustrated that several school districts in McLennan County received an “academically acceptable” rating in 2004: Waco, Connally, Hallsburg, La Vega, Mart, McGregor, and Moody. The less than optimal results of the seven school districts listed and other schools in the County suggest that more needs to be done to improve K-12 education in Greater Waco.

The Waco ISD and other districts currently utilize several initiatives promoted as “best practices” throughout the country. Expanding these efforts and allowing local school districts to learn from other school districts in the County, and to model programs after one another, would help strengthen local school systems. Even more advantageous would be programs developed for implementation County-wide, to not unnecessarily duplicate work.

This need can be resolved with a Greater Waco Public Education Partnership. Organized as a non-profit entity, the Partnership should have a director, staff, and a board of directors made up of representatives of school districts and private employers in McLennan County. The Chamber should promote the idea, raise support among the school districts, host an initial organizational meeting, and provide assistance in the implementation of programs by garnering support from the private sector when it is needed. Key initial programs of the Partnership should be to:

1. Expand the scope of Waco ISD’s Partners in Education program to other school districts in McLennan County. Other school districts would benefit from having the opportunities such a partnership provides, and by expanding Partners in Education instead of duplicating it, individual businesses would not have to participate in partnerships for multiple school districts. Additionally, the Partnership should organize efforts for Partners in Education to apply for grant award money to further support its work. For example, each year, the Council for Corporate and School Partnerships presents six awards of \$10,000 each to best practice local business/school partnerships.²⁰
2. Develop learning-based partnerships between school districts without a specific best practice program, and one that has successfully implemented that program. When a County-wide program is determined to not be the

²⁰ National School and Business Partnerships Award. Council for Corporate and School Partnerships. Accessed 22 August 2005. <http://www.corpschoolpartners.org/award.shtml>.

most practical solution, these learning-based partnerships can be invaluable. The Partnership's role would be to identify needs and bring school district representatives together to form these partnerships.

3. Solicit the services of a professional firm to do a comprehensive needs assessment and strategic action plan for McLennan County's K-12 education systems. The Waco ISD recently commissioned a study regarding the district's facilities and maintenance needs;²¹ the study recommended in this action step would be more comprehensive in scope and be inclusive of all districts in the County to do a full assessment of Greater Waco's K-12 educational needs.

Action Step: Host a “study circle” to have a public discussion about education issues in Greater Waco.

Study Circles is a national, nonpartisan, nonprofit organization that brings communities together for discussion and issue resolution sessions. They seek to turn public dialogue into solutions with community-wide support, including education issues. With the Greater Waco Public Education Partnership organizing the effort, McLennan County's public school systems should partner to host a series of study circles on education issues in Greater Waco. These study circles will help develop and strengthen the relationships necessary to identify and implement real solutions to the challenges many of the County's school systems face. The Study Circles organization can be hired to facilitate the sessions for the community, and there are also a variety of resources available on Study Circle's website (<http://www.studycircles.org>) if the Partnership wants to organize its own sessions.

²¹ Genz, Dan. “WISD study to focus on maintenance, student shifts.” *Waco Tribune-Herald*. 16 September 2005. Accessed 16 September 2005.
<http://www.wacotrib.com/news/content/news/stories/2005/09/16/20050916wacwisdtrustees.html>.

Breakthrough Initiative:
Leverage the resources of the region's colleges and universities to support employers who require persons with college degrees and attract and retain a younger, more qualified and better educational workforce .

OBJECTIVE 2: EXPAND THE ABILITY OF LOCAL HIGHER EDUCATION INSTITUTIONS TO PROVIDE AFFORDABLE TWO-YEAR AND FOUR-YEAR DEGREE OPPORTUNITIES TO PREPARE THE WORKFORCE FOR JOBS IN THE TARGET BUSINESS SECTORS.

In today's knowledge-based, technology-oriented economy, more and more occupations require a two-year or four-year degree for employment. Therefore, increasing the number of post-high school degree opportunities in Greater Waco is a key element of developing the workforce and enhancing the area's attractiveness as a place to do business. However, these efforts will best serve the workforce if they are pursued with a demand-driven approach; i.e., the additional degree opportunities are focused on occupations within the target business sectors.

Action Step: Aggressively advocate the passage of a bond referendum to fund the needed expansion of McLennan Community College's facilities.

The MCC \$73.45 million bond referendum that narrowly failed in March 2005 was a critical measure to expand the college's facilities to accommodate the growing student body and Greater Waco's need to maintain an educated workforce. The referendum needs to be offered for another vote, but this time with a comprehensive marketing strategy to get the high voter turnout needed for passage. That election should be held at the earliest possible date that will allow sufficient time for the marketing efforts. A spring 2006 date would be aggressive but doable.

The Chamber should play a leadership role in 1) encouraging county officials to establish a Spring 2006 date for the referendum election; and 2) educating the community about the importance of passage, and the importance of voting on election day.

Action Step: Work with local two and four year colleges and universities to create additional opportunities for Greater Waco high school graduates to attend higher educational institutions.

For the purpose of improving options for Greater Waco's youth and enhancing "town-gown" relations (addressed more specifically in *Goal 3: Change Perceptions*), the Chamber should work with Baylor to create more opportunities for local youth to attend the University. Currently, Baylor already supports local youth, giving two scholarships apiece to graduates of University High School, Waco High School, and A.J. Moore Academy. The Chamber should work with the University to determine the possibility of creating additional scholarship opportunities to high school graduates of other McLennan County high schools.

Additionally, Baylor offers both merit-based and University endowed need-based scholarship opportunities, as well as available federal, state, University, and privately-funded financial assistance loan programs. Often financial aid is offered as a package of loans, grants, and work-study opportunities. A key initiative of the Chamber's Education/Workforce Committee should be developing relationships with high-school guidance counselors and using available opportunities to raise awareness among students and parents about these scholarships and loan programs.

Similar efforts should be made to encourage more local high school graduates to attend MCC and TSTC-W. This will help improve educational attainment levels of the workforce by facilitating the transition from a high school to two-year college degree program.

Action Step: Facilitate the communication of businesses' training needs to Baylor, MCC, and TSTC-W.

The Chamber should work with both sides to be sure the local higher education institutions are offering the training programs most needed to serve existing, and new, businesses in the target business sectors. That effort should also focus on the content of the coursework and training methods to be sure it is consistent with current and expected future job requirements. This communication process can be part of the target-specific councils and the expanded business retention program outlined in *Goal 1: Grow Waco*. The Aviation Career Education program developed by L-3 and TSTC-W is an excellent example of how this can be done, and similar program opportunities should be pursued.²²

Additionally, concerns were raised in focus groups and interviews that businesses do not always know how to initiate the process to obtain short-term, customized training for employees. As part of the promotional marketing campaign described in Objective One of *Goal 1: Grow Waco*, the Chamber should advertise itself as the place for businesses to call to obtain the personal contact information for the person who can most efficiently get that training need resolved.

Action Step: Advocate for the expansion of engineering and technical programs at Baylor University, MCC, and TSTC-W, as local demand requires.

The *Wage and Fringe Benefits Survey Report*, commissioned by the Chamber and released in July 2005, determined that the interviewed employers have some of the most difficulty finding qualified local people to fill technical and engineering positions. One issue identified in this process was employer's difficulty recruiting experienced engineers. That recruitment process will become easier as Greater Waco

²² Copeland, Mike. "Air park could employ up to 2,000." *Waco Tribune-Herald*. 24 August 2005. Accessed 26 August 2005.
http://www.wacotrib.com/biz/content/business/stories/2005/08/24/20050824wacair_park.html

is able to sell itself, based on its successes that will come out of the implementation of this strategy, as a place where there are ample opportunities to find an engineering job.

Expanding local engineering degree opportunities and related R&D will help increase Greater Waco's image as a place where engineers and businesses dependent on engineers congregate. Baylor has already expanded engineering educational opportunities over the past twenty years, and the continued expansion of these programs could further enable local employers to recruit more often from within the community, as well as help grow University research efforts. *U.S. News & World Report's* ranking of engineering programs illustrates Baylor's successful improvements to its program: in 2001 Baylor's program ranked 26th of undergraduate engineering programs in the U.S., in 2004 it ranked 19th, and in 2005 it ranked 14th.²³

MCC and TSTC-W have two-year degree programs, which should also be expanded as local needs are identified. The Chamber should be an ongoing advocate for MCC, TSTC-W, and Baylor to continue to expand and improve its engineering degree programs.

To enable this growth, the Chamber should also be an advocate for additional science and engineering faculty at the institutions. When Baylor, MCC, and TSTC-W pursue potential faculty persons, the Chamber should offer to help in the recruitment of that faculty person by introducing them to local businesspeople in their field, and companies that could sponsor funded research chairs. The Chamber could also offer assistance connecting the spouse with businesspeople within his or her profession to help the spouse find a job locally.

²³ "Baylor's Engineering Program Highly Rated in *U.S. News* 'Best Colleges' Survey." *Baylor University News*. 20 August 2004. Accessed 9 October 2005. <http://www.baylor.edu/pr/news.php?action=story&story=20283>.

Best Practice: Rome, Georgia

Rome, Georgia has used its many higher educational assets – Berry College, Floyd College, Shorter College, and Coosa Valley Technical College – to position itself as a strong competitor in attracting high-tech manufacturing to the community.

As part of the implementation of the Rome-Floyd County 20/20 plan established in 1997 with *Market Street*, Rome has added international language, math, and science courses to its high school curriculums. By a three-to-one margin, in November 2003, the community passed a 1-cent sales tax increase to generate \$75 million for public school facilities improvements. The community has also opened a high school industry academy to prepare students for further education or careers in engineering. Students receive dual credit for courses, which are taught by local technical college faculty.

Due to the implementation efforts focused on leveraging existing education assets and expanding offerings in the public schools, Rome is now home to foreign-owned companies from Austria, Italy, Japan, South Korea, and Switzerland. Combined, these companies have created more than 1,000 jobs in just a few years.

Lesser, Craig. “Georgia Communities Bounce Back.” *Economic Development America*. Spring 2005; “SPLOST Wins! Final vote: 7,407 yes, 2,523 no.” *Rome News-Tribune*. 4 November 2003. Accessed 25 August 2005.
http://news.mywebpal.com/news_tool_v2.cfm?npnid=680&show=archivedetails&ArchiveID=990534&om=1; Marr, Chris. “Industry Academy preps students for work force.” *Rome News-Tribune*. 9 August 2003. Accessed 25 August 2005.
http://news.mywebpal.com/news_tool_v2.cfm?npnid=680&show=archivedetails&ArchiveID=970726&om=1

OBJECTIVE 3: RAISE AWARENESS IN THE WORKFORCE REGARDING THE MANY WORKFORCE DEVELOPMENT AND EDUCATIONAL PROGRAMS AVAILABLE.

Focus group and interview feedback indicated that at least portions of the workforce are not aware of the many training programs available to them. This objective focuses on raising awareness about job training, tuition assistance, and career opportunities for the long-term unemployed members of the community.

Action Step: Develop a program to encourage and help leaders of faith-based organizations to raise awareness among their congregations regarding the training, tuition assistance, and career opportunities available to them.

Often, faith-based organizations are the best means for reaching the long-term unemployed, or “hidden,” portion of the potential workforce. Therefore, the

Chamber should develop personal relationships with the leadership of strategically chosen faith-based organizations to encourage them to educate their congregations about the available opportunities. The chosen faith-based organizations should be ones in low-income neighborhoods with high unemployment rates.

Action Step: Launch a marketing campaign to promote careers in the target business sectors, and overall career awareness.

The Chamber should partner with businesses, Baylor, MCC, TSTC-W, and other area stakeholders to develop a media campaign focused on raising awareness about high-paying career opportunities (and the training available to pursue them). These efforts should focus on careers in the target business sectors to help build the workforce in these fields. That focus can be a selling point to get businesses in these targets involved in the media campaign. Print, radio, and/or television media outlets could be used to profile occupations, with information on the competitive wages these jobs can provide and the required training that is available locally. The findings of the Chamber-commissioned *Wage and Fringe Benefits Survey Report* could be used in this media campaign, to illustrate how much local employers pay for certain jobs, compared to others. For example, the entry-level wage for several production, engineering, computer science, electronics, maintenance, and other occupations listed in the report is very favorable.

OBJECTIVE 4: ADDRESS THE SUPPORT INFRASTRUCTURE NEEDS OF THE WORKFORCE, AND MAXIMIZE THE POTENTIAL OF OTHER RESOURCES AVAILABLE FOR GREATER WACO’S WORKFORCE DEVELOPMENT EFFORTS.

In addition to training, child care and transportation needs are barriers-to-entry into the workforce; therefore, developing additional, affordable child care services and public transportation is important to enable the long-term unemployed to improve their standard of living. Additionally, there are other resources available to the workforce outside of the three higher education institutions – most notably the Heart of Texas Workforce Board – which should be appropriately leveraged to serve Greater Waco’s workforce needs.

Action Step: Create a Greater Waco Child Care Council to improve child care services in McLennan County.

The Chamber should work with local employers to develop and fund on-site child care centers, as well as partner with local social service and health care providers to increase local child care capacity.

To enable the process, the Chamber should build support for organizing a Greater Waco Child Care Council to create a concentrated, comprehensive effort to improve child care services in McLennan County. The Council should be a collaborative effort, with representatives from key private, public, and non-profit entities. The Council's priority should be to ensure the integration of child care services (both subsidized and non-subsidized), with a focus on improving affordability, accessibility, and quality of services. The Council should also focus on creating employer incentives for providing child care and more flexible child care environments. To achieve this, the Council should promote the benefits of neighboring employers partnering to provide child care services to create shared financial responsibility and a larger pool of workers in need of the services.

Action Step: Enhance public transportation services.

The Chamber should partner with Waco Transit, local employers, and educational institutions, best done with an official Greater Waco Public Transit Task Force, to subsidize transit services, as necessary, to extend routes and operating hours during the week and on weekends. Significant improvements are already underway for public transportation, with the recent opening of a \$6.2 million Waco Transit Maintenance and Administration Facility, and a plan to replace and expand the current fleet of 18 buses with 24 new ones.²⁴

Both local employers and educational institutions can benefit from continued efforts to achieve more comprehensive transit services, because low-income persons often require reliable, affordable access to both training and job opportunities. When identifying partners, the Chamber should also solicit participation from hospitals, health care clinics, child care centers, and similar destinations to help enhance accessibility to these other priority destinations of low-income persons.

As part of the work of the Task Force partnership, the Chamber should initiate a process by which area employers; health care, child care, and educational institutions; and Waco Transit determine the possibility of sharing resources to develop a small-scale joint-partnership system that would operate in neighborhoods of McLennan County currently not served by Waco Transit.

As the following best practice attests, employers working together to create shared bus or van service for employees can result in a sustainable public transportation service, because the partnership creates sufficient demand for new routes.²⁵

²⁴ Joyce, Matt. "New Waco Transit facility opens." 30 August 2005. Accessed 30 August 2005.

<http://www.wacotrib.com/news/content/news/stories/2005/08/30/20050830wactransitfacility.html>

²⁵ Text box source: Community Transportation Association of America (CTAA). "Linking People to the Workplace." January 2001. Available on CTAA website: www.ctaa.org/data/toolkit_full.pdf

Best Practice: Private-Sector Driven Bus Service in Columbus, Ohio

In 1997 in Columbus, Ohio, Sears, Roebuck and Company’s Fashion Center manager Nick Francone initiated a process to identify other businesses along a potential transit route that would also benefit from improving public transportation services for their employees.

With the help of the Greater Columbus Chamber of Commerce, Mr. Francone and representatives from five other large businesses in close proximity met with the Central Ohio Transit Authority (COTA) to develop an agreement for a new route. In the final agreement, the businesses guaranteed that COTA would receive revenue for a full bus each way for one year, regardless of whether or not the seats were actually full, by agreeing to fund a certain number of seats. They also agreed to make their hours fit the bus schedule. With those concessions, COTA agreed to add the route to serve first and second shifts. Because the busses were full from the start, none of the six companies had to pay COTA.

As of 2005, the buses on the route averaged 18 passengers, according to Mr. Francone. They continue to serve first and second shifts for employees of the following businesses: Sears, Consolidated Stores, General Motors, and Westland Mall. Realtors are able to use the transit serve as a competitive amenity of the properties along the route. New businesses to the area that are now part of the route include Caterpillar Logistics, IBM, Logistics Partners, and Steve and Barry’s.

Community Transportation Association of America (CTAA). “Linking People to the Workplace.” January 2001. Accessed 30 August 2005. http://www.ctaa.org/data/toolkit_full.pdf.

Action Step: Work with the Heart of Texas Workforce Board to identify how the agency can be better utilized to serve Greater Waco’s workforce development needs.

The Heart of Texas Workforce Board has existing services and financial resources to assist the workforce development needs of McLennan County, as well as Bosque, Falls, Freestone, Hill, and Limestone Counties. Child care, training, job search assistance, and other services are addressed as part of the Board’s mission. The agency, including its workforce center in Waco on South New Road, should be considered a resource for every workforce development effort of Greater Waco.

The Chamber should encourage active communication between the Board, workforce center, and relevant stakeholders in Greater Waco (i.e., MCC, TSTC-W, and the private sector), to ensure a comprehensive effort to improve workforce development efforts in McLennan County, and the leveraging of all available resources to achieve that goal.

The same is true of the resources of the Texas Workforce Commission, and other local, regional, and state organizations (including higher education institutions)

involved in workforce development in Greater Waco. The Chamber should take a proactive role in encouraging organizations to work together to improve workforce development in Greater Waco, to make the effort as efficient and well-funded as possible.

Benchmarks and Performance Measures

The following should be used to measure the success of *Goal 2: Develop the Workforce* implementation efforts. Each should be monitored on an annual basis. The bolded benchmarks and corresponding performance measures are the most significant.

Benchmarks

- **Increase the percentage of schools rated as “Recognized” by the State of Texas by 30 percent by 2010.**
- **Increase the percentage of schools rated as “Exemplary” by the State of Texas by 10 percent by 2010.**
- Increase per pupil expenditures by 3 percent annually by 2010.
- Increase average teacher salaries by 3 percent annually by 2010.
- **Reduce high school dropout rates to 3.5 percent by 2010.**
- Increase the percentage of students meeting Texas Assessment of Knowledge and Skills test standards to 75 percent by 2010.
- Increase the percentage of students taking the Texas Assessment of Knowledge and Skills test to 92 percent by 2010.
- Increase average composite SAT scores by 50 points, and ACT scores by 2 points, by 2010.
- Increase high school completion rates by 15 percent by 2010.
- **Increase the percentage of high school graduates pursuing a two-year or four-year degree by 20 percent by 2010.**
- Increase participation in G.E.D. programs by 20 percent by 2010.
- Establish a Greater Waco Public Education Partnership.
- Host a series of “study circles” regarding education issues.
- Expand the number of school districts participating in the Partners in Education, or similar, program.
- Increase the number of at-risk youth mentors by 25 percent by 2010.
- Increase the number of students involved in career exploration and awareness programs by 40 percent by 2010.
- Increase the number of high school internship and work experience opportunities by 25 percent by 2010.

- Increase the number of tutors available to youth and family literacy programs by 15 percent by 2010.
- Increase the number of diversity recognition programs.
- Increase the number of non-academic enrichment activities for students.
- Implement the findings of comprehensive assessment of the critical needs of McLennan County's public school systems.
- Complete the estimated \$73.45 million in necessary facility improvements at McLennan Community College.
- **Increase the number of community/technical college degrees awarded by 20 percent by 2010.**
- **Increase the number of public four-year degrees awarded by 20 percent by 2010.**
- Increase the number of Waco residents attending Baylor by 10 percent by 2010.
- Increase the capacity of two-year, four-year and graduate technical and engineering degree programs offered in McLennan County by 10 percent by 2010.
- Facilitate the creation of four privately-funded science and engineering research chairs at Baylor by 2010.
- **Increase total local job placement from McLennan Community College, Texas State Technical College-Waco, and Baylor graduates, each, by 20 percent by 2010.**
- Have all leaders of faith-based organizations in strategic neighborhoods regularly promoting local education and workforce development resources by 2010.
- Implement a career awareness marketing campaign.
- Establish a Greater Waco Child Care Council.
- Increase the capacity of accredited child care centers by 20 percent by 2010.
- Increase the capacity of child care centers accepting subsidies by 20 percent by 2010.
- Establish a Greater Waco Public Transit Task Force.
- Expand available public transit service in the evening and on Sundays and holidays.
- Increase the number of transit routes by 20 percent by 2010.
- Increase public transit ridership by 20 percent by 2010.
- Increase the number of coordinated workforce development efforts with the Heart of Texas Workforce Board and the workforce center on South New Road.

Performance Measures

- ✓ **State of Texas rankings of public schools.**
- ✓ Per pupil expenditures.
- ✓ Average teacher salaries.
- ✓ **High school dropout rates.**
- ✓ Percentage of students meeting the standards of the Texas Assessment of Knowledge and Skills test.
- ✓ Percentage of students taking the Texas Assessment of Knowledge and Skills test.
- ✓ Average SAT and ACT scores.
- ✓ High school completion rates.
- ✓ **Percentage of high school graduates pursuing a two-year degree program.**
- ✓ **Percentage of high school graduates pursuing a four-year degree program.**
- ✓ Capacity and attendance of local G.E.D. programs.
- ✓ Number of school districts and businesses represented by a Greater Waco Public Education Partnership.
- ✓ Number of “study circles” held, and number of attendees.
- ✓ Number of school districts participating in the Partners in Education, or similar, program.
- ✓ Number of at-risk youth mentors.
- ✓ Number of students involved in career exploration and awareness programs.
- ✓ Number of high school internship and work experience opportunities.
- ✓ Number of tutors available to youth and family literacy programs.
- ✓ Number of diversity recognition programs.
- ✓ Number of non-academic enrichment activities for students.
- ✓ Number of public school districts participating in a comprehensive assessment of McLennan County’s public school systems.
- ✓ Percentage of the voting public in support of passing a referendum for \$73.45 million in facility improvements at McLennan Community College.
- ✓ **Number of community/technical college degrees awarded.**
- ✓ **Number of public four-year degrees awarded.**
- ✓ Number of privately-funded science and engineering research chairs at Baylor.
- ✓ Number of Waco residents attending Baylor.
- ✓ Capacity of two-year, four-year and graduate technical and engineering degree programs offered in McLennan County.

- ✓ **Local job placement rates of McLennan Community College, Texas State Technical College-Waco, and Baylor graduates.**
- ✓ Number of leaders of faith-based organizations regularly promoting local education and workforce development resources to their members.
- ✓ Amount of expenditures spent on career awareness marketing campaigns.
- ✓ Number of partners, attendees, and meetings of the Greater Waco Child Care Council.
- ✓ Number of child care centers, and their capacity. Also, number and capacity of child care centers that are accredited and accept subsidies.
- ✓ Number of partners, attendees, and meetings of the Greater Waco Public Transit Task Force.
- ✓ Operating hours and days of the public transportation system.
- ✓ Number of public transit routes and stops.
- ✓ Average number of riders on public transit routes.
- ✓ Number of coordinated workforce development efforts with the Heart of Texas Workforce Board and the workforce center on South New Road.

GOAL 3: CHANGE PERCEPTIONS

Change perceptions by enhancing Greater Waco’s internal and external image.

Breakthrough Initiative:
Establish and manage Brand Waco with the marketing and public relations strategy for tourism and economic development.

Name recognition is essential to generate interest in a city; therefore, national media attention can have positive effects on increasing a community’s number of visitors – from tourists to prospective employers. As Greater Waco’s residents know all too well, capturing the attention of America can have negative effects on a city’s image. A carefully developed and marketed brand for the Greater Waco community can replace the misguided associations that arose out of the media attention surrounding the 1993 Branch Davidian event.

The brand that comes out of this process will need to be applicable to all marketing materials targeted to residents and non-residents (with non-residents including potential investors, visitors, and business owners). While marketing efforts directed to tourists may be somewhat different than efforts directed to prospective business owners, the branded message of what Greater Waco is should be consistent for all Greater Waco marketing efforts.

Breakthrough Initiative:
Collaborate in the development of a shared community vision for Greater Waco.

To succeed in that branding effort, based on focus group and interview feedback, an internal marketing campaign is also necessary to enhance residents’ pride in their community. As one focus group participant said, “We have to have the image right with us before we present it to the world.”

The branding effort described in this goal will also need to reflect the findings of the Community Visioning Project. The outcomes of that effort should be used to help establish a brand for Greater Waco. Working with the City to fulfill this need will be addressed in *Goal 5: Build a Culture of Implementation*.

OBJECTIVE 1: ENHANCE COMMUNITY PRIDE IN GREATER WACO, AND INCREASE AWARENESS OF THE MANY OPPORTUNITIES AND AMENITIES AVAILABLE LOCALLY.

An interviewee in this process said, “If you tell a baby it’s ugly, it’ll think it’s ugly,” and claimed that is one reason the Branch Davidian incident has plagued residents of Waco for over 10 years. That interviewee, as well as the other interviewees and focus group participants, consistently told *Market Street* that Greater Waco is a great place to live and work because it has so much to offer. For example, the community offers the natural beauty of Lake Waco and the Brazos River; the arts, cultural, recreational, and Big 12 college athletic events of a large city; and the small-town character that arises from the low cost of living, lack of traffic, and friendly people in Greater Waco.

All Greater Waco's positive attributes need to be packaged together into a concentrated community-wide effort to enhance residents' pride in claiming Greater Waco as home. That will help retain residents of all ages, and make them better "sales people" to their relatives, friends, colleagues, and even strangers that have not yet discovered what makes Greater Waco a great place to do business, live, and visit.

Action Step: Develop and implement an internal marketing strategy to improve the community's pride in Greater Waco and raise awareness about the community's assets.

Greater Waco's key private and public organizations should partner together to obtain professional marketing services to develop and implement an internal marketing strategy. It will be important to have all key partners involved in this process, because community-wide buy-in will be essential for success.

The marketing materials and the overall effort should also focus on increasing people's awareness of the many activities available to them in Greater Waco. Some interviewees and focus group participants believe that too many residents of Greater Waco do not know all that there is for them to do locally. From art, theater, and sports events (in downtown, Baylor, and elsewhere), to the growing number of shopping and dining opportunities downtown, to the annual community events (Brazos River, regional sports, Baylor, and other events), there are numerous day and night activities that need ongoing advertising and promotion efforts aimed at Greater Waco's residents.

The Waco Convention and Visitor Bureau's existing "Wild About Waco" effort is an important component of this work. Ongoing efforts to increase participation in this program should continue. As the brand identification, internal and external marketing efforts of this strategy are pursued, the "Wild About Waco" effort should be revised as necessary to ensure a consistent image and brand is maintained for Greater Waco.

Action Step: Pursue the possibility of a quarterly insert in the *Waco Tribune-Herald* about the implementation of this Strategy, and the work of the Chamber and other area organizations.

The *Waco-Tribune Herald* is an invaluable potential resource for improving internal marketing efforts, changing perceptions, and creating community-wide support for the implementation of this Strategy. A regular insert about the Strategy, coordinated by the Chamber, could serve as the vehicle for presenting to the public progress on implementation, and promoting different resources available to individuals and businesses from the Chamber and other area organizations.

Action Step: Host a “study circle” to have a public discussion about a memorial for the 1916 lynching and broader race relations issues in Greater Waco.

The 1916 lynching of a man outside City Hall in front of a crowd of 15,000 has lingered in Greater Waco’s public consciousness. As recently as May 2005, the *New York Times* published an article describing the event, and the local discussion about whether Waco should have a monument commemorating the incident.²⁶ The Chamber should be an advocate for making positive steps toward commemorating the event in a manner that will ease the long-standing tensions in the community connected to the lynching. To do that, the Chamber should partner with the City of Waco, McLennan County, and the African American Chamber of Commerce to organize and host a series of “study circles” on race relations in Greater Waco.

Study Circles is a national, nonpartisan, nonprofit organization that brings communities together for discussion and issue resolution sessions. They seek to turn public dialogue into solutions with community-wide support, including race relation issues. Study Circles can be hired to facilitate the sessions for the community, and there are also a variety of resources available on Study Circle’s website (<http://www.studycircles.org>) if Greater Waco wants to organize its own sessions.

One outcome of the Study Circle should be increased support for the creation of a memorial to the 1916 lynching. To help implement that effort, a committee dedicated to the memorial should be formed. That committee should initially focus on raising awareness in Greater Waco about the lynching, among adults and children of all races. The committee should also start fundraising efforts for the memorial design and construction.

²⁶ Blumenthal, Ralph. “Fresh Outrage in Waco at Grisly Lynching of 1916.” *New York Times*. 1 May 2005. Pg. 26, Section 1, Column 1. Accessed from *LexisNexis* 30 August 2005.

Best Practice: Duluth, Minnesota

On June 15, 1920, three African American men were lynched in Duluth, Minnesota, an incident which occurred after a series of events that originated with a white man accusing six African Americans of raping his date. Picture postcard “souvenirs” were made, and it was the sight of these images that helped generate support for the establishment of a memorial over 80 years later. The memorial dedication ceremony was held on October 10, 2003 in Duluth for the largest lynching monument in the U.S., featuring three 7-foot-tall bronze statues of the victims and the inscription “An event has happened upon which it is difficult to speak and impossible to remain silent.”

Duluth attributes its success in raising the memorial to the creation of the Clayton-Jackson-McGhie Memorial Committee (named after the three victims) in 2000. The Committee garnered wide-spread support for the memorial by raising awareness among both adults and children about not only the lynching, but also broader race relations in present-day Duluth. The campaign focused on the principal of “looking back to look ahead” to keep the conversation current.

For the dedication ceremony, school children, police officers, local residents, and inmates marched the path the lynch mob made, and the great-grandson of one of the mob organizers made a public apology on behalf of his ancestor. The Duluth Mayor stated at the ceremony, “My hope is the memorial will lead to forgiveness and healing. Let’s not miss that opportunity.”

Olsen, Ken. “Duluth Remembers 1920 Lynching.” *Tolerance in the News*. 13 October 2003. Accessed 10 October 2005. http://www.tolerance.org/news/article_tol.jsp?id=879; Walker, Tim. “Duluth Residents Face the Painful Lessons of a 1920 Lynching.” *It Happened Here*. Fall 2003. Accessed 10 October 2005. <http://www.tolerance.org/teach/magazine/features.jsp?p=0&is=33&ar=452>.

Action Step: Lead the effort to encourage residents of Greater Waco to become more at peace with the community’s history.

In focus groups and interviews, *Market Street* discovered that the level of unhappiness in Greater Waco over the national attention surrounding the Branch Davidian event is so severe that many appear to not want to even acknowledge it by name. While not an unwise choice for external marketing purposes, it suggests that the community could benefit from a public movement to embrace a more positive perspective on the national media attention the incident created. The name recognition the community achieved as a result of the incident can be redirected to support both the community’s tourism and economic development marketing. In the process to implement an internal and external marketing campaign, the Chamber should be a leader in encouraging this perspective. This more positive perspective is necessary to come to a consensus that Greater Waco’s external marketing efforts will be most successful if they acknowledge certain realities, even if not by name (Objective Two describes this in more detail).

Breakthrough Initiative:
Construct a new Chamber headquarters building as a showcase for Greater Waco and symbol of the business community's confidence in our future.

Action Step: Complete the construction of a new Chamber headquarters.

The plans are in motion to construct a new Chamber headquarters in downtown Waco. This effort is a key piece of both internal and external marketing efforts, as the building can serve as a symbol of Greater Waco's confidence in itself as a competitive place to do business, and the building can be a flagship for the downtown revitalization and Brazos riverfront development efforts. Necessary to this effort will be a significant fundraising effort, which could be done as part of the work of the public-private development partnership discussed in *Goal 4: Revitalize Strategic Community Areas*.

OBJECTIVE 2: CREATE A POSITIVE BRAND FOR WACO, AND MARKET THAT BRAND TO TEXAS AND THE NATION.

Americans know Waco. That puts Waco ahead of other cities of its size. The problem is Americans know Waco for an unrepresentative event that occurred over 10 years ago. That can be changed.

Truth in advertising is a strong weapon. A campaign that acknowledges that people already know Waco, without having to name why they know Waco, will resonate with people, and open them to the positive message that follows the acknowledgement. A message built from the basic concept that it is now time for Americans to find out what is really happening in Waco, can serve as an effective premise for an external marketing campaign. Also, central Texans know Waco as a good place to stop along the drive from Austin to Dallas-Fort Worth. The message to central Texans could be based on that same concept by tailoring it to them – i.e., it is now time for them to get off the interstate to see what's really happening in Waco.

The designated Waco brand and core marketing message should be developed to apply to all constituencies Greater Waco wants to attract and retain: tourists, young professionals, and large and small business owners. The brand and core marketing message needs to be consistent to help ensure it lingers in the public's consciousness (the public being inclusive of all the constituencies listed above). Marketing materials and specific strategies will, out of necessity, be different for increasing tourist visits, attracting and retaining young professionals, and bringing large and small businesses to Greater Waco, but the logo and core message of the brand should be the same for each of these audiences.

Because there are a large number of entities responsible for marketing Greater Waco to different constituencies – the Chamber, the Convention and Visitors Bureau, Downtown Waco, Inc., and Baylor University, to name a few – it will be absolutely necessary for these organizations to work collectively on establishing a brand and marketing message for Greater Waco, and using it for all of their future marketing efforts.

Action Step: Develop and implement an external marketing strategy to enhance Waco’s image and increase business inquiries and visitors to the area.

Greater Waco’s key private and public organizations – the Chamber, the Convention and Visitors Bureau, Downtown Waco, Inc., and Baylor – should partner together to obtain professional marketing services to develop and implement an external marketing strategy, which must include a clear brand for Greater Waco to be used for all efforts to market the community to tourists, young professionals, and large and small business owners.

It will be important to have all key partners involved in this process, because community-wide buy-in will be essential for success. The enhanced local pride that will come out of Objective One is also critical to the success of this objective, because the local community must embrace the new, positive brand for Waco before outsiders will. That brand should reflect the principles of truth in advertising, for example, by acknowledge that, without naming why, Americans know Waco.

Action Step: Enhance the Interstate-35 environment, and use this space to market Greater Waco to travelers.

Breakthrough Initiative:
Enhance the I-35 Corridor - economically and aesthetically - with particular emphasis on Greater Waco’s gateways.

There is an ongoing movement in Greater Waco to improve the economic environment and aesthetics of what business and personal travelers can see when driving north and south on Interstate-35. This is the “gateway” to Greater Waco, and the environment should be representative of who Greater Waco is and who it wants to be.

The Chamber is currently organizing an effort to economically and aesthetically improve the Interstate-35 corridor. The Chamber is working with area businesses to identify what the primary needs may be for landscaping and similar aesthetic improvements, and advocating their economic benefits. The Chamber should continue to solicit applicable grants and other funding for the landscaping and related work. Baylor already owns a large tract of land along the corridor, and the Chamber should continue to encourage them to play a key role in the entire effort.

An important part of the plan is to create a physical gateway to Waco on both the north-bound and south-bound lanes of the interstate. An additional means of achieving the objective of this initiative is to acquire billboard advertising for the many attractions of Greater Waco. Several of the primary attractions already are advertised, but certain key amenities – including Lake Waco, the Brazos River, and even Waco’s competitive business climate and quality of life – are not.

Leveraging the billboards for Waco’s economic development and tourism economy expansion should be part of the implementation of the marketing strategy described in the previous action step. Potentially via the non-profit entity described in the next action step, the Chamber should partner with the Convention and Visitors Bureau

and Downtown Waco, Inc. in the implementation of this so that it may be inclusive of both existing and future tourism and business recruitment efforts.

Action Step: Consider the possibility of establishing a non-profit public-private entity to be responsible for Greater Waco’s marketing efforts.

While the number and size of Greater Waco’s tourist attractions have grown in recent years, financial resources for marketing have not grown at the same rate. To successfully market itself as a destination of choice, Greater Waco will need to identify the best means to maximize its ability to allocate funding to marketing efforts.

Many other communities have a non-profit entity responsible for tourism marketing. For example, Fort Worth’s Convention and Visitors Bureau is a 501(c)(6) organization, funded by the City’s hotel tax revenue and operating as a contractor of the City. It collaborates with the City’s management of convention center operations, but is not responsible for that work.

Greater Waco (including all cities and tourist attractions within McLennan County) needs to have a more comprehensive marketing effort, and that can be achieved with the creation of a non-profit entity. By establishing a collaborative effort and reducing the burden on each individual entity (i.e., City of Waco’s Convention Center and Visitors Bureau, and the appropriate departments of the other cities in the County that collect hotel tax revenue – Bellmead, Crawford, Mart, West, and Woodway) all can reap the benefits of the effort. Additionally, a non-profit organization would have more opportunities to leverage other funding sources (i.e., from the private sector) than the current municipality-controlled structure.

The Chamber should organize a meeting of the city, tourism, and marketing leadership of Waco, Bellmead, Crawford, Mart, West, Woodway, and other local communities to have an open discussion about the possibility of creating a new entity to more successfully market the collective tourism assets of McLennan County. The meeting could include guest speakers from Fort Worth or other communities that have successfully established a structure that works for them.

At the meeting, a consensus should be reached on a new structure for Greater Waco’s marketing efforts that will have the ability to leverage hotel and other tax revenues, as well as solicit and obtain support from the private sector. Then, all involved partners should work together to implement that structure.

OBJECTIVE 3: STRENGTHEN “TOWN-GOWN” RELATIONS BETWEEN BAYLOR UNIVERSITY ADMINISTRATORS, FACULTY, AND STUDENTS, AND THE GREATER WACO COMMUNITY.

Historically, according to many focus group and interview participants, the “Baylor Bubble” has been a factor in University-community relations.²⁷ The community and University were not interacting at a level that many felt was necessary to move Greater Waco forward. However, many say the “bubble” is now popping, and indicate it has long been more a perception than a reality. Increasing positive town-gown relations needs to continue (both real and perceived), because Baylor and the Greater Waco community can significantly benefit from having a positive relationship.

Action Step: Invite and encourage Baylor to be a key partner in major Chamber initiatives.

At both a personal and an institutional level, building relationships with Baylor leadership is key to the successful achievement of Chamber goals. Baylor is not only one of Waco’s largest employers, but it also is a natural player in education, research, arts, culture, and sports in the community. The University already plays an active role in each of these areas, and it has and should continue to play a key role in making Greater Waco a better place to live and work, the results of which will make the University more attractive to prospective students, faculty, and other employees. To help strengthen that role, and awareness of it outside Baylor, the Chamber should have an ongoing effort to proactively communicate with Baylor leaders and other administrators, and the broader Greater Waco community, on the reality of what Baylor’s role is in shaping Greater Waco’s future.

Action Step: Establish a Faculty/Business Networking Group.

Local businesses should consider Baylor, and MCC and TSTC-W, faculty as a potential resource for them, and vice versa. From research findings to job opportunities, local businesses and faculty can benefit from working with each other. The Chamber should initiate a Faculty/Business Networking Group and recruit Baylor, MCC, and TSTC-W faculty and small and large Chamber members to attend events of the group in order to build relationships and identify mutually-beneficial opportunities at an interpersonal level.

²⁷ “Baylor Bubble” is a locally-used term which represents the perceived figurative “bubble” separating the Baylor community from Greater Waco.

Action Step: Expand opportunities for Baylor students to become more invested in the community.

The Waco community and Baylor students become more aware of and receptive to each other the more interaction they have. That interaction can be in the form of internship, job, or volunteer opportunities for Baylor students.

Already there are many internship and co-op programs for Baylor students, and the Chamber should work with both Baylor officials and local employers to identify any additional opportunities for students to have internships or jobs during the school year and summer. As a leader in the business community, the Chamber should also use its website and other materials to market the benefits of participating in the program to large and small employers not yet offering opportunities to Baylor students. Also, the Chamber should communicate with Baylor personnel to identify what role the Chamber can play in helping to market these opportunities to students.

There are also many existing opportunities for Baylor students to volunteer in the community. As part of the community development work of the Chamber, the Chamber could maintain regular communications with local non-profit organizations about where more opportunities for Baylor students to volunteer may exist. The Chamber then can communicate these opportunities to its contacts at Baylor, and in these conversations determine what role the Chamber can play to help Baylor students become more aware of the many opportunities to serve the local community.

These internship, co-op, and volunteer programs are also important because the student investment in the community makes them more likely to desire to remain in Greater Waco after graduation. Retaining more of these graduates is an important component of the Professional Services target business sector efforts, because it will help build the local workforce for these firms.

Action Step: Increase Baylor student, faculty, and administrators' participation in community activities; and Greater Waco residents' participation in Baylor activities.

As part of the internal marketing campaign and promotion of local events and attractions, Baylor's population should be a target audience to encourage students, faculty, administrators, and other staff to take advantage of the many recreational, entertainment, arts, culture, and sporting events in the community. Likewise, Greater Waco residents should be a target audience of encouraging greater attendance rates at Baylor events, including the University symphony, Big 12 sporting events, and even visits to the Baylor University Bear Plaza. The community's welcoming of Baylor's triumphant women's basketball team in Spring 2005 illustrated that momentum is already moving in the right direction.

Benchmarks and Performance Measures

The following should be used to measure the success of *Goal 3: Change Perceptions* implementation efforts. Each should be monitored on an annual basis. The bolded benchmarks and corresponding performance measures are the most significant.

Benchmarks

- **Identify a clear brand for Waco.**
- **Implement a comprehensive internal marketing strategy.**
- Have a quarterly insert in the *Waco Tribune-Herald* raising awareness about the implementation of this strategy, and the many opportunities available to residents and businesses in Greater Waco.
- Host a series of “study circles” on race relations in Greater Waco.
- Complete construction of a new Chamber headquarters.
- **Implement a comprehensive external marketing strategy.**
- Have an attractive gateway to Waco on the north and south bound lanes of Interstate 35.
- Establish a non-profit entity responsible for marketing all of Greater Waco’s tourism assets.
- Have active Baylor representation on every board and committee of major community organizations and initiatives.
- Have an active Faculty/Business Networking Group.
- **Increase the retention of Baylor graduates in the community by 20 percent by 2010.**
- Increase volunteer opportunities for Baylor students in the community by 20 percent by 2010.
- Increase internship and job opportunities for Baylor students in the community by 20 percent by 2010.
- Increase Baylor student, faculty, and administrator attendance at community events by 50 percent by 2010.
- Increase Greater Waco residents’ attendance at Baylor events by 50 percent by 2010.

Performance Measures

- ✓ **Amount of expenditures spent on internal marketing strategy.**
- ✓ Number of inserts in the *Waco Tribune-Herald* raising awareness about the implementation of this strategy, and the many opportunities available to residents and businesses in Greater Waco
- ✓ Number of “study circles” held, and number of attendees.

- ✓ Number of meetings, and partners, of a committee for a memorial to the 1916 lynching.
- ✓ Amount of funding available for a new Chamber headquarters.
- ✓ **Amount of expenditures spent on external marketing strategy.**
- ✓ Number of advertisements in trade publications.
- ✓ Number of advertisements in tourist publications.
- ✓ Number of billboards and other advertisements on the north and south bound lanes of Interstate 35.
- ✓ Number of businesses along the Interstate 35 corridor implementing landscape improvements.
- ✓ Number of partners in the effort to create a non-profit entity responsible for marketing all of Greater Waco's tourism assets.
- ✓ Number of local boards and committees Baylor personnel are actively involved with.
- ✓ Number of participants and meetings of the Faculty/Business Networking Group.
- ✓ Retention rate of Baylor graduates.
- ✓ Number of Baylor students volunteering on a monthly basis.
- ✓ Number of Baylor students with local internships and job opportunities.
- ✓ Number of Baylor students, faculty, and administrators in attendance of community events.
- ✓ Number of Greater Waco residents in attendance of Baylor events.

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GOAL 4: REVITALIZE STRATEGIC COMMUNITY AREAS
Revitalize downtown, the Brazos riverfront, and other key areas
by enhancing efforts to create more vibrant communities and
improve housing options.

Breakthrough Initiative:
Build support for principles of sustainable growth and advocate development downtown and along the river.

Nationally there is a growing movement in both the private and public sector to revitalize local communities in response to increasing public awareness of the unsustainable structure of most American cities today. Spread-out patterns of development, with parcels of land zoned only for single uses and limited public transportation options, result in a city layout entirely dependent on private automobiles. These automobile-dependent cities can create many problems for individuals, local communities, and the nation, including 1) poor accessibility for individuals who cannot afford an automobile and escalating gasoline prices; 2) national energy supply crises; 3) poor air quality due to automobile emissions; 4) loss of attractive undeveloped and rural land to accommodate spread out patterns of development; and 5) decentralized arts, cultural, and entertainment destinations, creating inaccessible and often less desirable environments for residents, prospective business owners and professionals, and tourists.

This movement of making cities more sustainable is often referred to as “new urbanism,” which, to implement, requires developing diverse, mixed communities of civic, housing, retail, and office uses, with accompanying infrastructure, to create more pedestrian-oriented environments. By allowing people to get to work, retail, and entertainment destinations by foot (or by public transit), this form of community structure is much more sustainable than sprawling patterns of development. These mixed-use, pedestrian-oriented environments also create a more vibrant, attractive community for both day and evening activities.

The principles of sustainable, new urbanism development are most effectively applied to existing older neighborhoods that often already have the narrower streets, sidewalks, and multi-use buildings in place that are necessary for a pedestrian-oriented environment. For Greater Waco, the primary opportunity area is the original downtown core, on which Downtown Waco, Inc. has already made notable revitalization progress. Other central city neighborhoods outside downtown Waco’s established public improvement district boundaries, and other McLennan County communities such as Bellmead, Hewitt, Robinson, and Woodway, also offer the opportunity, with the right investment choices, to create more pedestrian-oriented environments in Greater Waco.

This goal focuses on continuing and expanding Downtown Waco, Inc.’s work, as well as a comprehensive effort to create more mixed-use environments with downtown, riverfront, and other central-city neighborhood mixed-use development, and other important revitalization efforts.

Breakthrough Initiative:

Leverage the resources of the region's colleges and universities to support employers who require persons with college degrees and attract and retain a younger, more qualified and better educated workforce.

OBJECTIVE I: CREATE MORE MIXED-USE ENVIRONMENTS WITH HOUSING, COMMERCIAL, AND OFFICE DEVELOPMENT.

Downtown Waco, Inc. is making strides in enhancing the downtown neighborhood, the best existing opportunity for creating a stronger pedestrian-oriented, mixed-use environment in Greater Waco. Retail with street-level windows, restaurants with sidewalk seating, and other amenities of vibrant pedestrian-oriented neighborhoods make them attractive to visitors, young professionals, and other constituencies Greater Waco wants to attract more of (as determined in the community input process). Greater Waco's public and private leaders must partner together to make the full revitalization and development of downtown Waco and the Brazos riverfront a reality, as well as create more mixed-use environments in other strategic community areas.

Action Step: Work with Downtown Waco, Inc. to create a public-private development partnership to implement a successful, significant investment in housing, commercial, and office development in downtown Waco and on the Brazos riverfront.

Downtown Waco, Inc. is currently working on updating the Brazos River Corridor Development Plan, which is inclusive of the downtown revitalization efforts for the neighborhood approximately bounded by 11th Street to the southwest; Jefferson Avenue to the northwest; Garrison Street to the northeast; and Jacksonville Avenue to the southeast. Based on focus group and interview feedback, there is significant community-wide support for continuing the revitalization efforts of downtown and developing the Brazos riverfront. Certain key pieces of this plan are already in the works; for example, the recently announced deal for the City of Waco to give \$3.1 million in incentives for Staubach Capital Partners to renovate the downtown Hilton Hotel and convention center, and the renovation of the Roosevelt/Regis Tower into a mixed-use space incorporating restaurant, retail, banquet and ball rooms, and office space.²⁸

The proven, best-practice, most-assured means of turning downtown Waco and the Brazos riverfront into a vibrant neighborhood that will attract tourists, young professionals, business prospects, and others to the Waco community is via a **public-private development partnership**. Such a partnership would facilitate and expedite the realization of Downtown Waco, Inc.'s Brazos River Corridor Development Plan. It could operate on a project-by-project basis, or be responsible for a more comprehensive approach to developing downtown and the Brazos riverfront.

²⁸ Smith, J.B. "Council approves \$3.1 million for Hilton upgrades." *Waco Tribune-Herald*. 20 July 2005. Accessed 27 July 2005. <http://www.wacotrib.com/news/content/news/stories/2005/07/20/20050720waccouncil.html>; *Waco Chamber and Business Quarterly*. Summer 2005. Page 24. Accessed 5 August 2005. <http://www.waco-chamber.com/magazine/q305final.pdf>

The Chamber should encourage and help Downtown Waco, Inc. create this partnership, which should include representatives of the following entities: Baylor University, City of Waco (including relevant agencies such as the Convention and Visitors Bureau and Housing Authority), Downtown Waco, Inc., Greater Waco Chamber of Commerce, and McLennan County. Representatives of large and small employers, local foundations, and other organizations that would benefit from a revitalized downtown and have financial resources to support the effort should also be part of the partnership.

The partnership should be organized as a non-profit organization to facilitate the necessary fundraising effort. To implement a comprehensive approach, the partnership could submit a request for proposals to real estate developers and urban design/architectural firms to design a mixed-use development plan for the downtown and Brazos riverfront neighborhood. That request should include clear parameters consistent with Downtown Waco, Inc.'s revised Brazos River Corridor Development Plan and existing development projects (i.e., the Hilton Hotel and Roosevelt/Regis Tower projects), as well as utilization of the tax increment financing (TIF) district and other available incentives. To obtain these services and implement the development plan, the partnership's fundraising effort will have to be significant. Any relevant state or federal grants that would help support the effort should also be pursued.

Best Practice: Chattanooga, Tennessee

In the 1960's, Chattanooga received national attention when media outlets dubbed it America's dirtiest city, due to decades of significant air and water pollution from the city's manufacturing businesses. After a significant, collaborative investment in the downtown area, inclusive of a comprehensive community input process, Chattanooga has since successfully capitalized on the downtown's location on the Tennessee River and the city's natural beauties – making Chattanooga a favorite tourist destination (*Southern Living's* readers have named it the third favorite weekend family trip, after Walt Disney World and Orlando).

To become what it is today, in the 1980s the Chattanooga community took part in a process called Vision 2000. The process included a series of community meetings which were conducted over the course of 20 weeks. More than 800 Chattanooga citizens were involved in the process. To implement the Vision, the City of Chattanooga provided seed money for road and sewer improvements; and significant investments from both the private and public sectors funded the opening of the Tennessee Aquarium (to this day the centerpiece of the area's attractions), the refurbishing of a featured local bridge, and the redevelopment of old factories into retail space. In Chattanooga's home-county of Hamilton, tourist spending grew by 36 percent from \$355 million in 1990 to \$466 million in 1997 (the aquarium opened in 1992).

"Downtown Revitalization: Cities Search for Solutions." *EconSouth*. Third Quarter 1999. Accessed 14 September 2005. <http://www.frbatlanta.org/invoke.cfm?objectid=87B687D8-6666-11D5-93390020352A7A95&method=display>; "Little Chattanooga prepares to take on Atlanta in Fish War." *USA Today*. 10 July 2003. Accessed 14 September 2005. http://www.usatoday.com/news/nation/2003-07-10-city-tourism-usat_x.ht.

Action Step: Work with the City of Waco, Downtown Waco, Inc., Texas State Affordable Housing Corporation, and developers to create more affordable home-ownership opportunities in the city's central neighborhoods.

The City of Waco needs more opportunities for low and middle-income people to own their home (i.e., condominiums or single-family houses). As of 2000, only 46 percent of City of Waco residences were owned by the occupant, compared to 60 percent in all of McLennan County and 66 percent in the United States.²⁹

There are tools available to local governments to encourage more affordable, multi-family housing development, such as offering developers density bonuses, tax abatements, etc. The Chamber should work with the City and Downtown Waco, Inc. to determine what zoning ordinance changes may be needed to create more incentives for multi-family affordable housing development in downtown and other central city neighborhoods.

²⁹ Source: U.S. Census Bureau.

The Texas State Affordable Housing Corporation also has multi-family housing development bond financing programs for both for-profit and non-profit developers. The Chamber should help market the bond programs to potentially interested developers, as well as market the incentive programs developed by the City and Downtown Waco, Inc.

Also, to serve the Baylor population and provide an impetus for central city neighborhood revitalization, some downtown housing development should have Baylor student, faculty, and other staff as the target market, with the University potentially serving as a partner with these developments (the possibility of which is described in more detail in Objective Three).

The coordinated work of the public-private development partnership discussed in the previous action step should include a focus on projects that are consistent with the principles advocated in this action step.

Action Step: Work with the City of Waco’s Housing Authority and Neighborhood Housing Services of Waco to encourage the use of low- and moderate-income family home purchasing assistance programs.

Many low- and moderate-income family home purchasing assistance programs are already in place, most prominently in Waco via the Neighborhood Housing Services of Waco organization and the City of Waco’s Housing Authority. The Chamber should provide ongoing support to these efforts to ensure their success. One means of achieving this would be to work with the leadership of local faith-based and neighborhood organizations to help educate people about the availability of these assistance programs.

Action Step: Work with the City of Waco, Downtown Waco, Inc., developers, and neighborhood organizations to create more mixed-used environments.

Similar to affordable housing, the Chamber should work with the City of Waco and Downtown Waco, Inc. to determine what zoning ordinance changes are needed, or what additional tax increment financing districts can be developed, to create more incentives for mixed-use development in downtown and other central city neighborhoods. For example, the City could change the existing zoning ordinance to include more parcels of land zoned for mixed-use. The Chamber should also work with City leaders in other McLennan County communities, such as Bellmead, Hewitt, Robinson, and Woodway, to encourage the re-zoning of parcels of land in strategic areas for mixed-use. Overall, the re-zoning and development efforts should focus on encouraging retail and office development in existing residential neighborhoods, and residential development in existing retail and office neighborhoods. The Chamber’s role in this process is primarily to make personal contacts with city leaders (in

Greater Waco and elsewhere) to grow support for the principles of new urbanism and the creation of more mixed-use environments in Greater Waco.

Additionally, the Chamber should play an active role in increasing developers' awareness about the available incentives for, and the potential profitability of, mixed-used development in downtown Waco. Downtown Waco, Inc. has already made strides with local developers, and the Chamber (with Downtown Waco, Inc.'s support) should host a forum for non-local firms. Attendees of the forum should include prominent Texas and national developers, investors, and others that would potentially be interested in revitalizing downtown Waco and the Brazos riverfront. At the forum, representatives of relevant city government offices should present information about the local permitting process and available incentives.

Local neighborhood organizations also can play an important role in creating momentum for more mixed-use neighborhoods. Mission Waco is already working to encourage retail and restaurant development in its neighborhood. In this and other central city neighborhoods in Waco and elsewhere in the County, the Chamber should partner with local neighborhood organizations to help connect prospective retail and restaurant small business owners with developers and relevant city officials to facilitate the process. The Entrepreneurial Networking Group and Minority Enterprise Office, described in *Goal 1: Grow Waco*, could be the vehicles for Chamber involvement in helping prospective retail and restaurant small business owners in these neighborhoods.

OBJECTIVE 2: ENHANCE NEIGHBORHOOD ENVIRONMENTS THROUGH SIDEWALK DEVELOPMENT, BEAUTIFICATION, LOCAL SECURITY/ NEIGHBORHOOD WATCH PROGRAMS, AND OTHER EFFORTS TO STRENGTHEN COMMUNITIES.

Downtown and other City of Waco neighborhoods could be enhanced with beautification and other efforts to make them more attractive, safe, and vibrant communities for residents and visitors. This objective focuses on expanding existing efforts to strengthen Waco's central-city neighborhoods, and building on the efforts to increase mixed-used development, as outlined in Objective One. The implementation of the City's recently approved master plan for parks, recreation, and open space will also significantly contribute to the attainment of this objective.³⁰

³⁰ Smith, J.B. "City approves master plan for parks, recreation." *Waco Tribune-Herald*. 21 September 2005. Accessed 23 September 2005. <http://www.wacotrib.com/news/content/news/stories/2005/09/21/20050921wacparks.html>.

Action Step: Work with the City to identify and fulfill sidewalk development needs.

Sidewalks can enhance both the safety and aesthetics of a community; therefore, the Chamber should work with the City to expand sidewalks into underserved neighborhoods to create a stronger network of pedestrian-accessible streets.

Action Step: Work with the City, Keep Waco Beautiful, and neighborhood organizations to enhance neighborhood environments via beautification projects.

Beautification projects can have a positive effect on vacant buildings and sites' attractiveness to prospective new uses, and community pride. The Chamber and the Keep Waco Beautiful organization should continue to partner, encouraging ongoing beautification projects aimed at the most-in-need central city neighborhoods. For example, the Chamber could actively encourage its members to participate in the adopt-a-park/spot/street in one of these in-need neighborhoods.

The Chamber should also work with the City to determine what role it can play to expedite the process to repair or demolish buildings that have been identified as uninhabitable. The *Waco Tribune-Herald* reported that the City has made progress on this issue, but many buildings remain that have been tagged for removal.³¹

Action Step: Assess existing greenspace coverage and identify areas of need.

Extensive park acreage, bike paths, and trails help increase the attractiveness of a community as a place to live. The Chamber should work with the City and County to encourage a comprehensive assessment of these resources in Greater Waco, and develop a plan to create additional parks, bike paths, and trails as the need is identified.

Action Step: Strengthen neighborhood watch programs.

By supplementing the work of the local police force, neighborhood-watch and similar programs can enhance the perception and reality of safety in a community. The Chamber should use its status as a community and business leader to help increase awareness within local neighborhoods about the many programs the City of Waco's Police Department offers. They include 1) Citizens on Patrol; 2) Citizens Police Academy; 3) Neighborhood Watch; 4) Residential and Business Security Surveys and Inspections; 5) National Night Out; and 6) other educational programs.

³¹ Smith, J.B. "City efforts to fix dilapidated buildings criticized as slow." *Waco Tribune-Herald*. 9 October 2005. Accessed 12 October 2005. <http://www.wacotrib.com/news/content/news/stories/2005/10/09/20051009waccitybuildings.html>

In the most in-need central city neighborhoods, the Chamber should also work with the Waco Police Department and local leadership (in private, public, faith-based and other neighborhood organizations) to establish, where they do not already exist, community-based watch programs. The Chamber should be an ongoing presence to promote participation in the neighborhood watch efforts.

OBJECTIVE 3: EXPAND BAYLOR UNIVERSITY'S ROLE IN DOWNTOWN REVITALIZATION EFFORTS.

Baylor is a key resource of Greater Waco, and any effort to enhance Baylor's role in all elements of this strategy would help enable its success, including the potential to play a strong financial and supporting role in strengthening Waco's downtown and developing the Brazos riverfront. In the August/September 2005 issue of the American Planning Association magazine *Planning*, an article focused on the growing trend of private and public universities partnering with cities, lenders, and developers to revitalize their home communities. Motivated by "enlightened self-interest," universities are moving beyond previously established "special enclaves" to create safe, inviting, and mixed-use "college town" environments. One of several universities profiled in the article was the University of Notre Dame, which is often considered by Baylor to be a benchmark for the University's efforts. Notre Dame recently spent millions to acquire 21 acres of land near its campus in South Bend, Indiana, and is now fielding proposals from private developers for a mixed-use development.³²

Action Step: Actively communicate with Baylor administrators, alumni, and other key constituencies on the importance of playing a significant role in redeveloping downtown Waco and the Brazos riverfront.

The Chamber should proactively encourage Baylor to follow this university-led neighborhood investment trend by playing a leading role in revitalizing downtown Waco and the Brazos riverfront. Baylor has already made investments in its immediate neighborhood, and expanding efforts would benefit both the University and the community. Baylor can achieve that by joining the private development partnership described in Objective One and continuing to support the on-going work of Downtown Waco, Inc. The Chamber should be a leading proponent of the fact that revitalizing downtown Waco and the Brazos riverfront will provide significant benefit to Baylor by 1) enhancing its ability to attract top-notch students, faculty, and administrators to live, study, and work in Waco; and 2) improving nearby off-campus housing options for these same constituencies. The Chamber can best achieve this

³² Litt, Steven. "Big Man Off Campus: Universities are revamping their college towns in an effort to stay competitive." *Planning*. August/September 2005. Pages 42-45.

by maintaining personal communications with key Baylor administrators and alumni.

The best practices on the following page provide more insight into how private colleges and universities across the United States have become leaders in local neighborhood revitalization efforts. The Chamber can use this and its own further research to support its argument to be presented to key Baylor leaders.

Best Practice: Private University Community Investment Programs

The National Association of Independent Colleges and Universities has identified a growing trend of private universities becoming key players in neighborhood revitalization. The following colleges and universities, with much less financial resources than the also profiled universities of Duke, Harvard, Pennsylvania, and Yale, invested in their neighborhoods and attained best practice recognition:

Clark University, of Worcester, Massachusetts, has been refurbishing and then selling dilapidated and abandoned homes, and helping to subsidize mortgage payments for first-time home buyers, since 1985. The University has also established a public secondary high school with a teacher education program for Clark students. Additionally, the University offers free tuition for qualified neighborhood residents.

Marquette University, of Milwaukee, Wisconsin, invested more than \$50 million from 1992 to 1997 to build and rehabilitate 350 housing units. That effort has been attributed as the reason for a 53 percent drop in crime and 12 new businesses in the neighborhood, and a record number of applications to the University.

Trinity College, of Hartford, Connecticut, has invested more than \$7 million in an adjacent 15-square-block neighborhood since 1996. A model of public-private partnership, Trinity’s investment helped to leverage tens of millions from all levels of government, corporations, foundations, alumni, and other individuals. The College is expected to invest at least \$3 million more, and ultimately the project is expected to generate over \$100 million in investment. The project includes a 16-acre educational complex with a Montessori-style magnet elementary school, a public middle school, and a high school science, math, and technology resource center for area school districts.

Union College, of Schenectady, New York, made a \$15 million investment into renovating a former hotel into a student residential facility and conference center. The College has also invested \$9 million in other projects, including full-tuition scholarships for qualified neighborhood residents, renovating 40 other buildings in the neighborhood, offering mortgage payments for College employees and others in the community, and establishing a neighborhood association for the area.

Key Statistics for Best Practice Private University Community Investment Programs

University/College (Location)	Endowment ('03)	Enrollment (Fall '02)	City Pop. ('04)	MSA Pop. ('03)
Clark University (Worcester, MA)	\$148.2 m.	3,035	175,966	775,772
Marquette University (Milwaukee, WI)	\$203.4 m.	11,042	583,624	1,513,739
Trinity College (Hartford, CT)	\$340.8 m.	2,323	124,848	1,179,923
Union College (Schenectady, NY)	\$239.6 m.	2,512	61,125	840,612
Baylor University (Waco, TX)	\$561.8 m.	14,159	118,093	219,563

Sources: *TheCenter* American Research University Data; U.S. Census Bureau

Community Investment Programs, National Association of Independent Colleges and Universities News Room. Accessed 19 August 2005. http://www.naicu.edu/news/campus_details.asp?id=4; *TheCenter* American Research University Data. Accessed 19 August 2005. http://thecenter.ufl.edu/research_data.html.

Benchmarks and Performance Measures

The following should be used to measure the success of *Goal 4: Revitalize Neighborhoods* implementation efforts. Each should be monitored on an annual basis. The bolded benchmarks and corresponding performance measures are the most significant.

Benchmarks

- Have a vibrant, active community in downtown Waco, and throughout the City of Waco.
- **Increase the amount of occupied housing, retail, restaurant, and office development in downtown Waco by 50 percent, each, by 2010.**
- Establish of a public-private development partnership for downtown Waco.
- **Break ground on at least two new large-scale developments in downtown Waco/Brazos riverfront by 2010.**
- Increase homeownership in the City of Waco by 25 percent by 2010.
- Increase the percentage of affordable housing units in the City of Waco by 25 percent by 2010.
- Increase the number of parcels of land with sidewalk coverage in Greater Waco by 25 percent by 2010.
- Increase the number of businesses engaged in beautification projects by 20 percent by 2010.
- Increase amount of greenspace, bike paths, and trails in Greater Waco.
- Have community watch programs in 75 percent of neighborhoods by 2010.
- Have Baylor be a vital player in revitalizing downtown Waco.

Performance Measures

- ✓ **Percentage of land in downtown Waco that is zoned for housing, retail, restaurant, and office, respectively.**
- ✓ **Percentage of occupied housing units, retail space, restaurant space, and office space, respectively, in downtown Waco, and other key central city Waco neighborhoods.**
- ✓ Establishment of a public-private development partnership for downtown Waco.
- ✓ **Number of large-scale developments in progress in downtown Waco and on the Brazos riverfront.**
- ✓ Percentage of owner-occupied housing units in the City of Waco.
- ✓ Percentage of affordable housing units in the City of Waco.
- ✓ Number of projects financed with Texas State Affordable Housing Corporation bonds.

- ✓ Number of residents taking advantage of home purchasing assistance programs.
- ✓ Number of parcels of land with sidewalk coverage.
- ✓ Number of on-going beautification projects in downtown Waco, and other key central city Waco neighborhoods.
- ✓ Square acreage of greenspace, and miles of bike paths and trails
- ✓ Number of active neighborhood watch programs.
- ✓ Amount of resources Baylor commits to neighborhood revitalization.

Breakthrough Initiative: Design and implement a comprehensive strategic plan for sustainable economic growth in Waco-McLennan County.

GOAL 5: BUILD A CULTURE OF IMPLEMENTATION

Build a culture of implementation by strengthening stakeholder relationships and obtaining the resources necessary for success.

In focus group and interview feedback, it was clear that many feel that Greater Waco historically has been great at planning, but has often been less successful in implementing those plans. Many also perceived a lack of visionary leaders in both the public and private sector – one potential cause of the failure to follow through with ideas and plans the community has developed in the past. This goal focuses on strengthening the existing relationships and obtaining the financial resources that will help overcome this trend and achieve successful implementation of the goals of this strategy.

OBJECTIVE 1: LEAD THE EFFORT TO ENCOURAGE ALL KEY PUBLIC AND PRIVATE PARTNERS TO WORK TOGETHER TO IMPLEMENT A COHESIVE EFFORT FOR ACHIEVING GREATER WACO’S DESIRED FUTURE.

Greater Waco is on the verge of a lot of positive change with the work of this strategy, Downtown Waco, Inc., the Community Visioning Project process, and other key local efforts. In order to achieve the success of them all, it will be essential that the responsible parties work together to ensure their work is complementary, even collaborative, instead of the competitive environment that has the possibility of developing. The following action steps will help achieve this purpose, as well as build relationships with other organizations that will be vital for achieving the implementation of this strategy.

Action Step: Extend the responsibilities of the Steering Committee to maintain ongoing implementation efforts and monitor their progress.

While many of the recommendations in this Strategy involve the Chamber, ultimately, to ensure its success, a public/private partnership-based committee or other entity will need to supplement the Chamber staff’s work to implement the plan’s goals, objectives, and action steps, and to monitor the benchmarks and performance measures. The Steering Committee for this strategy development process can serve this purpose. The Committee is the best vehicle for success, not only because it is already in place, but also because it already represents a collaborative partnership of many of the prominent public and private organizations in Greater Waco.

This new role for the Committee may require the designation of one or more full-time staff persons to coordinate implementation efforts. That staff work will include being responsible for the research and data collecting necessary to monitor attainment of benchmarks and performance measures. In certain instances, particularly related to Baylor, this will require working directly with strategic partners to obtain data.

Action Step: Regularly communicate to the public progress on the successful attainment of Strategy objectives.

Some community feedback indicated that many things are successfully accomplished for the good of Greater Waco, but due to a lack of public knowledge there is the perception that progress is not always made on key community initiatives. Thus, creating the perception of a culture of implementation is just as important as building that environment.

In addition to quarterly newspaper inserts (described in *Goal 3: Change Perceptions*), the Chamber and Steering Committee should publish an annual report detailing progress on the attainment of benchmarks and measures. Additionally, the Chamber should highlight successes in a regular feature in its *Quarterly Magazine*.

Action Step: Chamber, Downtown Waco, Inc., City of Waco, and McLennan County leadership should continue to regularly meet to discuss overlapping needs and opportunities.

The lines of communication between the Chamber, Downtown Waco, Inc., the City of Waco, and McLennan County should always be open, as they mostly are. Already, these organizations meet on an ongoing basis, and this must continue so that the leaders can discuss needs and opportunities that can most effectively and efficiently be addressed by collaborating with each other.

Action Step: Participate in the Community Visioning Project process, and be a key partner in ensuring its success.

The Chamber should continue its ongoing involvement in the Community Visioning Project process. The findings of that process will likely result in efforts that will overlap with goals and objectives of this strategy. To ensure both this strategy and the visioning process result in positive change for Greater Waco, the Chamber and City should work together to maintain complementary, collaborative implementation efforts. For example, the brand identification effort of *Goal 3: Change Perceptions* should be consistent with the outcome of the visioning process.

Breakthrough Initiative:
Collaborate in the development of a shared community vision for Greater Waco.

Action Step: Continue to be an advocate for stronger collaboration when responding to new business prospects.

To maintain a smooth process for new business prospects, the Chamber, McLennan County Economic Development Corporation, Waco Industrial Foundation, McLennan County, City of Waco, and other local governments should continue to have an ongoing commitment to collaborate to make Greater Waco’s economic development efforts as efficient, mutually-beneficial, and responsive as possible.

Action Step: The Chamber should continue to proactively seek the participation of key partners in the implementation of this strategy and future efforts.

Building relationships and partnerships are keys for success. By keeping relevant entities engaged in the process, the Chamber and its partners can leverage each others’ resources to obtain the most positive, beneficial outcome for the entire Greater Waco community. The Chamber already has many partnerships in place, and it should continue to proactively maintain ongoing relationships with the following entities (many of which are more specifically addressed in action steps of previous goals):

- + African American Chamber of Commerce;
- + Baylor University;
- + Bernard and Audre Rapoport Foundation;
- + Cooper Foundation;
- + Downtown Waco, Inc.;
- + Heart of Texas Workforce Board;
- + Hispanic Chamber of Commerce;
- + Large and small businesses;
- + Local governments;
- + Local school districts;
- + McLennan Community College;
- + Mission Waco, and other local community service organizations;
- + Museums Association of Waco, and all other local tourist, arts, cultural, and recreational attractions;
- + Neighborhood organizations;
- + Texas State Technical College-Waco;
- + Waco Convention and Visitors Bureau; and
- + Waco Foundation.

Working with the three foundations (Rapoport, Cooper, and Waco) could also be key to fulfilling the following Objective Two.

OBJECTIVE 2: IDENTIFY AND PURSUE APPROPRIATE FUNDING MECHANISMS NECESSARY FOR IMPLEMENTATION.

Current funds are not sufficient to achieve successful implementation of this strategy in a timely manner. A new level of public and private cooperation and financial support is required. Changing the existing tax structure would be one way to create more revenue for economic development and civic improvements in Greater Waco. Concentrated private and foundation fundraising efforts are also a viable option.

Action Step: Consider creating a vehicle for fundraising efforts.

To support the success of the downtown Waco and Brazos riverfront development efforts, as well as other elements of this strategy, getting the private sector engaged and involved in this process will be key to success. It will be beneficial to have a foundation specific to this comprehensive fundraising effort, in order to give it a brand name that can be used to build support (ideally, the same brand name used for the sales tax election campaign described in the following action step and the marketing efforts of *Goal 3: Change Perceptions*). Austin's ongoing "Opportunity Austin," described on the following page as a best practice, is an example of how this can be done to great effect.

The purpose of the foundation could be served by expanding the scope of the public-private development partnership described in *Goal 4: Revitalize Strategic Community Areas* to focus on the implementation of this entire strategy, including the downtown and riverfront development efforts and building a new headquarters for the Chamber's operations.

Best Practice: Opportunity Austin, Austin, Texas

To implement the Austin, Texas *Economic Development Strategy* developed in 2003 with *Market Street*, a five-county initiative named “Opportunity Austin” was created. Prior to contracting with *Market Street*, Austin’s economic development efforts were limited. The prosperity of Dell Computer Corporation and expansion of the semiconductor manufacturing sector, with companies including Intel, IBM, Motorola, and Samsung locating in Austin, had made proactive economic development seem unnecessary in the community. However, the loss of more than 30,000 well-paying jobs related to the 2001 collapse of the technology sector changed Austin’s outlook substantially.

Due to the minimal previous efforts, Austin had no financial reserves for the comprehensive economic development efforts necessary for Austin’s future economic health. To implement the strategy, in September 2003, 40 volunteers began a fundraising effort with an ambitious goal of \$11 million. Sixteen months later, Opportunity Austin had raised \$13.5 million, with large donations from a variety of companies and organizations including Dell, University of Texas at Austin, Real Estate Council of Austin, and other local employers that directly benefit from the region’s economic development efforts (including firms in the following sectors: manufacturing, professional services, real estate, construction, banking, utilities, retail trade, telecommunications, and health care).

A Solid Platform for a Solid Future, the 2004 Annual Report of Opportunity Austin.

Action Step: Consider the passage of an economic development sales tax.

Greater Waco’s current economic development investments are accomplished by two primary entities. The Waco-McLennan County Economic Development Corporation was established to use County and City funds to facilitate capital investment and job creation in the community. It consists of a three-person board including the County Judge, City Manager, and a private sector representative. This organization is an invaluable asset to the community and has helped enhanced its economic development resources.

Waco Industrial Foundation, staffed by the Chamber, is a nonprofit corporation with a 24-member board. The foundation offers lease-back purchase agreements, short-term financing plans, and other incentives for development. Both the Foundation and the Chamber are also invaluable to the community’s economic development efforts.

However, to remain competitive with other Texas communities, Greater Waco needs to generate more economic development financial resources. One possibility would be to utilize one or both of the State of Texas’ two economic development sales tax initiatives described below – Section 4A and Section 4B.

- The Section 4A sales tax allows the creation of a non-profit corporation to promote new and expanded industry. Allowable uses of the funds include: acquisition of land, buildings, and equipment; certain airport projects; job training programs; and infrastructure development for the creation or retention of jobs in manufacturing, research and development, recycling, distribution, warehousing, and regional or national corporate headquarters.
- The Section 4B sales tax can be used for these same purposes, as well as acquisition of land, buildings, and equipment, and other expenditures to improve amateur sports facilities; park facilities and events; entertainment, convention, and tourist facilities; affordable housing options; and, if approved in a local election, water supply facility improvements and water conservation programs.

Clearly, the 4A and 4B programs are not about raising money for direct cash incentives, but for building the support infrastructure necessary to make a local community more competitive for business prospects.

As of August 2003, 123 Texas cities have passed a Section 4A tax, 303 have passed a Section 4B tax, and 87 have passed both. To illustrate the nature of the competitive economic development marketplace in Texas, the following are cities of similar population size to Waco/McLennan County that have a 4A, 4B, or both programs.

Mid-Size Texas Cities with a 4A or 4B Program, August 2003³³

City	2004 Population	2003 4A Tax Revenue	2003 4B Tax Revenue	Total 4A/4B Revenue Per Capita
Abilene	114,807	\$6,525,221	*	\$57
Allen	66,341	\$3,370,135	\$3,370,135	\$102
Amarillo	180,791	\$11,064,592	*	\$61
Brownsville	161,225	\$2,951,747	\$2,951,747	\$37
Corpus Christi	281,196	\$9,335,555	*	\$33
Edinburg	58,448	\$2,194,387	*	\$38
Eules	50,575	*	\$2,231,471	\$44
Frisco	62,372	\$6,018,789	\$6,018,789	\$193
Galveston	57,355	*	\$3,248,777	\$57
Grand Prairie	140,320	*	\$7,567,904	\$54
Harlingen	61,589	\$3,764,811	*	\$61
League	57,981	*	\$692,948	\$12
Lewisville	89,142	*	\$2,889,257	\$32
Longview	75,306	\$3,211,617	*	\$43
McAllen	120,743	*	\$10,393,934	\$86
McKinney	88,409	\$3,891,413	\$3,891,413	\$88
Mesquite	129,710	*	\$8,693,333	\$67
Midland	98,082	\$3,334,734	\$3,334,734	\$68
Mission	57,812	*	\$1,885,206	\$33
N. Richland Hills	60,483	*	\$4,041,388	\$67
Odessa	92,844	\$2,874,674	*	\$31
Pasadena	144,174	*	\$6,108,488	\$42
Pearland	52,402	*	\$2,924,067	\$56
Pharr	56,839	\$1,851,289	*	\$33
Port Arthur	56,727	\$2,430,311	*	\$43
San Angelo	88,112	*	\$4,663,222	\$53
Sugar Land	73,721	\$3,312,772	\$3,312,772	\$90
Tyler	89,552	*	\$8,582,839	\$96
Victoria	61,677	*	\$4,638,688	\$75
Wichita Falls	100,929	\$2,766,455	\$2,766,455	\$55

*Does not have that program; Sources: Texas Office of the Attorney General; Window on State Government³⁴

Currently, the City of Waco has about \$2 million for economic development work. To illustrate how the City's economic development budget compares to four comparison communities that have a 4a and/or 4b program, the following chart illustrates estimates of total economic development budget per capita for Waco,

³³ Mid-size defined as cities with a population between 50,000 and 300,000, as of 2004. As of 2004, the City of Waco's population is 118,093, and McLennan County's is 222,439.

³⁴ *Economic Development Handbook*. State of Texas Office of the Attorney General. 2004. Accessed 18 August 2005. http://www.oag.state.tx.us/AG_Publications/pdfs/2004econdevhb.pdf; "Economic Development Corporation Revenue and Expenditure History, 1997-2003." *Texas Window on State Government*. Accessed 14 September 2004. <http://www.window.state.tx.us/lga/edchistory>.

Abilene, Amarillo, Tyler, and Wichita Falls. Waco’s per capita economic development budget is presently significantly lower than the other cities profiled.

Total Economic Development (E.D.) Budget Per Capita

City	2004 Population	2003 4A Tax Revenue	2003 4B Tax Revenue	Other E.D. Money**	Total E.D. Budget	Total E.D. Per Capita
Abilene	114,807	\$6,525,221	*	\$1,000,000	\$7,525,221	\$66
Amarillo	180,791	\$11,064,592	*	*	\$11,064,592	\$61
Tyler	89,552	*	\$8,582,839	\$583,000	\$9,165,839	\$102
Wichita Falls	100,929	\$2,766,455	\$2,766,455	\$500,000	\$6,032,910	\$60
Waco	118,093	*	*	\$2,000,000	\$2,000,000	\$17

*Does not have that program.

**Estimate based on current fiscal year.

Sources: Texas Office of the Attorney General; Window on State Government; Phone interviews.

The following bullet points provide examples of how these comparison communities have used their 4A and 4B funds:

- Abilene:** From October 2004 to August 2005, the Development Corporation of Abilene was able to provide over \$8 million in incentives that lead to the retention of 437 jobs, and the creation of 83 new jobs (with commitments for 412 more).³⁵
- Amarillo:** In the past 15 years, the Amarillo Economic Development Corporation has contributed to more than 100 projects with over 95 companies – many of which were existing business expansions. They also have used their funding to sponsor a business plan contest. Since the program’s start, over 20 new businesses have used their “Enterprize Challenge” contest winnings to finance the start-up of their venture.³⁶
- Tyler:** With the City Council and Half-Cent Sales Tax Board setting priorities, the City of Tyler has been able to fund the creation of a long range development plan, conversion of library computers, restoration of two historic tourist destinations, fire station construction, computer improvements for the police and fire departments, improvements to city parks, numerous street and traffic improvements, over ten drainage projects, and a new terminal at the airport.³⁷
- Wichita Falls:** The City of Wichita Falls has used its 4A and 4B funding for improvements and general investments in local parks, fire stations, a public

³⁵ Development Corporation of Abilene.

³⁶ “Portfolio of Success. *Amarillo Economic Development Corporation*. Accessed 15 September 2005. <http://www.amarilloedc.com/index.php?id=17>

³⁷ “About the Half-Cent Sales Tax.” *City of Tyler, Texas*. Accessed 15 September 2005. <http://www.cityoftyler.org/962d4d95bbc342f986a8640876a24518/default.html>.

safety training center, dredging projects, drainage improvements, city radio upgrades, and city records maintenance.³⁸

To increase financial resources for economic development, the City of Waco could hold a referendum election to remove a portion of the existing property tax reduction and adopt one, or both, of the economic development sales tax initiatives – Section 4A and 4B. Several cities in Texas have done this in recent years: Greenville, Cleveland, Dripping Springs, Lampasas, Palestine, Pecos, and Wharton. This election would be necessary in Waco because the State of Texas allows local governments to have up to 2 percent in sales taxes for local initiatives, and Greater Waco is currently at that maximum.³⁹

Currently, the 2 percent is divided as follows:

- 0.5 percent levied by McLennan County for its operations;
- 1.0 percent levied by the City of Waco for its operations; and
- 0.5 percent levied by the City of Waco for property tax relief for its residents.

The increase in property taxes that would be the result of the passage of a transfer of tax revenue from property tax relief to the funding of a Section 4A and/or 4B program would require a comprehensive marketing campaign to encourage the community to vote in favor of the initiative. The campaign can be successful if it focuses not on the resulting tax increase, but on the fact the 4A and/or 4B program will:

1. Make Waco more competitive for economic development projects;
2. Enable Waco to better serve existing employers;
3. Make Waco a better place to live, work, and visit; and
4. Improve Waco's image.

The following descriptions of Greenville's successful election to replace property tax reduction with a Section 4A program, and Jacksonville, Florida's "Better Jacksonville Plan" sales tax election, are compelling best practices for selling the idea of a tax increase for economic and community development projects.

³⁸ City of Wichita Falls.

³⁹ "Sales Tax Close-Up: Thinking about a local sales tax election? Better do some homework." *Window on Texas Local Government*. June 2005. Accessed 11 August 2005. <http://www.window.state.tx.us/lga/wotlg/wotlg0506/salestax.html>.

Best Practice: Greenville, Texas

After two failed attempts in 1994 and 1998, an overwhelming 70 percent of voters in Greenville, Texas passed a proposition to replace the use of sales tax revenue to reduce property taxes with a Section 4A economic development program. Using money generated from private donations collected in a 501(c)(3) campaign fund for direct mailers, yard signs, and other marketing materials; leveraging the local media for publicity; and making personal visits to various local membership-based service organizations, Greenville Chamber officials were able to sell the community on the necessity of creating Section 4A funding for Greenville's future.

A key element of the campaign was illustrating how uncompetitive Greenville was with neighboring cities that have generated millions of dollars for economic development with their 4A and 4B programs. Additionally, the campaign focused on the fact that revenue generated from the 4A program would predominantly be used for infrastructure and facility development, not direct cash incentives. Also, by seeking a modest 1/8 cent transfer of sales tax revenue from the property tax reduction to the 4A program, it was an easier sell than a larger amount would have been. Today, Greenville's 4A program generates \$400,000-\$450,000 a year for this community of 25,000 people.

Phone interview. 18 August 2005; "Greenville Now Offers the 4A Sales Tax for Economic Development." *Greenville Business News*, Greenville Board of Development. Accessed 18 August 2005. <http://www.greenvilletxdec.com/news.asp>.

Best Practice: Better Jacksonville Plan, Jacksonville, Florida

In September 2000, citizens of Jacksonville, Florida overwhelmingly passed a half-cent sales tax increase to implement the \$2.25 billion Better Jacksonville Plan. The comprehensive growth management plan includes downtown improvements, such as a new courthouse, library, and sports and entertainment venues to better leverage the downtown's location on the St. Johns River. The project also includes \$25 million in economic development programs, including a business infrastructure grant/loan program, façade renovation grant program, small business development initiative, and large scale economic development program.

The Better Jacksonville Plan's success on election day and over the past five years is due in large part to the effective public relations campaign for the proposal. In press coverage before the vote took place, Jacksonville University political science professor Stephen Baker said the campaign "was very well planned and executed because it was never portrayed primarily as a tax increase...the term 'Better Jacksonville' placed it early on as a source of major improvements and made the tax almost incidental." With Mayor John Delaney at the forefront, advocates appealed to the residents' sense of local pride and sold the half-cent sales tax as an important resource for the city to improve its image and critical infrastructure. If the plan fulfills the now former Mayor's promises, the economic impact of the Better Jacksonville Plan will be incalculable.

Better Jacksonville Plan. Accessed 11 August 2005. <http://www.betterjax.com>. "Maneuvering Diverse Groups Clinched Plan." *Florida Times Union*. September 3, 2000. Accessed 11 August 2005. http://www.jacksonville.com/tu-online/stories/090300/met_3966136.html.

Action Step: Maximize the value of the hotel tax revenue.

The State of Texas allows hotel tax revenue to be used for the establishment, improvement, maintenance, and certain administrative costs of the convention center; tourism-related advertising and marketing; encouragement, promotion, improvement, and application of the arts; historical restoration or preservation; and sporting events for which the majority of participants are tourists. In the City of Waco, the Convention and Visitors Bureau is the primary recipient of the revenue, with the remainder going to the Waco Arts Council. The Cities of Bellmead, Crawford, Mart, West, and Woodway also generate hotel tax revenue. As described in *Goal 3: Change Perceptions*, a new structure for marketing Greater Waco's tourism assets may enable the community to better leverage hotel tax revenue in the future.

Benchmarks and Performance Measures

The following should be used to measure the progress on attaining *Goal 5: Build a Culture of Implementation*. Each should be monitored on an annual basis. The bolded benchmarks and corresponding performance measures are the most significant.

Benchmarks

- **The achievement of all the benchmarks listed for the previous four goals.**
- **Ongoing Steering Committee meetings to monitor progress and keep implementation efforts on-track.**
- **Publish annual reports on strategy implementation progress.**
- **Achieve strong, on-going, collaborative communications between the Greater Waco Chamber, Downtown Waco, Inc., City of Waco, and McLennan County leadership.**
- Achieve goals of the Community Visioning Project.
- Maintain a system for responding to new business prospects that is a collaborative effort of the Greater Waco Chamber, McLennan County Economic Development Corporation, Waco Industrial Foundation, McLennan County, City of Waco, and other relevant parties.

- Maintain on-going partnerships on key Chamber initiatives with the respective organizations that share the Chamber's goals:
 - + African American Chamber of Commerce;
 - + Baylor University;
 - + Bernard and Audre Rapoport Foundation;
 - + Cooper Foundation;
 - + Downtown Waco, Inc.;
 - + Heart of Texas Workforce Board;
 - + Hispanic Chamber of Commerce;
 - + Large and small businesses;
 - + Local governments;
 - + Local school districts;
 - + McLennan Community College;
 - + Mission Waco, and other local community service organizations;
 - + Museums Association of Waco, and all other local tourist, arts, cultural, and recreational attractions;
 - + Neighborhood organizations;
 - + Texas State Technical College-Waco;
 - + Waco Convention and Visitors Bureau; and
 - + Waco Foundation.
- Consider a referendum which will reduce the property tax relief portion of the sales tax for a Section 4A and/or 4B economic development program.
- **By 2010, raise or leverage a minimum of \$3 million annually from public, private, and non-profit organizations to help fund Greater Waco's economic development efforts and the implementation of this strategy.**

Performance Measures

- ✓ **Number of Steering Committee meetings, and number of attendees.**
- ✓ **Number of annual reports on strategy implementation progress.**
- ✓ **Number of meetings of the Greater Waco Chamber, Downtown Waco, Inc., City of Waco, and McLennan County leadership.**
- ✓ Progress on measures to achieve goals of the Community Visioning Project, as identified in that process.
- ✓ Number of private-public collaborative responses to new business prospects.
- ✓ Number of organizations the Great Waco Chamber has ongoing partnerships with to achieve shared goals.
- ✓ Percentage of the voting public in support of passing a referendum which will reduce the property tax relief portion of the sales tax for a Section 4A and/or 4B economic development program.
- ✓ **Amount of money raised or leveraged from public, private, and non-profit organizations to help fund Greater Waco's economic development efforts and the implementation of this strategy.**

CONCLUSION

The efforts of this strategy, Downtown Waco, Inc., and the Community Visioning Project make this an exciting time for Greater Waco as it sits on the verge of immense positive change. This strategy is a key piece of that process, as it has outlined the following priority needs of Waco at this point in time:

- ✓ Growing and strengthening the economy (*Goal 1: Grow Waco*);
- ✓ Building a competitive workforce prepared for the jobs of the future (*Goal 2: Develop the Workforce*);
- ✓ Retaining and attracting more businesses, residents, and visitors (*Goal 3: Change Perceptions*);
- ✓ Reinvigorating downtown, the Brazos riverfront, and other strategic community areas to make them better, stronger environments to live in, do business in, and visit (*Goal 4: Revitalize Strategic Community Areas*); and
- ✓ Building the resources and leadership necessary to succeed in all endeavors (*Goal 5: Build a Culture of Implementation*).

To fulfill these needs and achieve the positive change of which Greater Waco is capable, visionary public and private leadership must guide a coordinated implementation effort. The goals, objectives, and action steps in this strategy are just a starting point for progressive and lasting change in Greater Waco. The next and final component of Greater Waco's strategic process – the *Implementation Plan* – will outline the means by which Greater Waco can successfully achieve the goals outlined in this strategy.

Although this document, and the following *Implementation Plan*, will guide local efforts for the coming years, priorities will change based on altered conditions in Greater Waco. For example, as goals and objectives are accomplished, local focus may shift to other priority areas; the ideas and actions in this strategy will need to be modified to reflect that shift. Thus, the identification and implementation of necessary action steps to attain goals is an ongoing process, which must always be steered by a collaborative effort of Greater Waco's public and private leaders.