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# STRATEGIC PLAN FIVE-YEAR UPDATE

PREPARED FOR THE PASADENA ECONOMIC DEVELOPMENT CORPORATION

# ACKNOWLEDGMENTS

TIP Strategies would like to thank the staff and leadership of the Pasadena Economic Development Corporation (the EDC), along with the members of the steering committee and the many stakeholders who contributed to the planning process.

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**TIP STRATEGIES, INC.**, is a privately held Austin-based firm providing consulting and advisory services to public and private sector clients. Established in 1995, the firm's core competencies are strategic planning for economic development, talent strategies, organizational development, resiliency planning, and equity initiatives.

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# INTRODUCTION/OVERVIEW

The state of Texas has been making economic headlines for years, thanks to its business-friendly environment and desirable quality of life. Likewise, the Houston metro area has certainly maintained its stature within the state and the nation as a dynamic, global region. However, the city of Pasadena's significance as a key piece of that puzzle has often gone overlooked. Located only 15 minutes from downtown Houston, Pasadena both benefits from and contributes to the region's economic landscape, a position reinforced by its status as the metro area's second largest city. With a thriving petrochemical industry, strong educational assets, and a vibrant local culture, Pasadena is poised to capitalize on the opportunities that await the city, if leadership can adopt an ambitious and confident stance.

In 2017, the Pasadena Economic Development Corporation (the EDC) engaged TIP Strategies, Inc., (TIP), an Austin-based economic development consulting firm, to produce a strategic plan to guide the city's growth. Released in 2018, the plan called for action in six areas: marketing and image, business development, workforce, catalyst projects, tourism and retail, and support structures. In 2019, TIP reported on progress made on the plan's implementation at the one-year mark. This work was informed by interviews with the EDC and City staff and leadership, a review of trends affecting Pasadena, and an evaluation of implementation efforts. The progress report highlighted some laudable achievements made in the first year, including a branding website, a new business visitation program, and the San Jacinto College (SJC) LyondellBasell Center for Petrochemical, Energy, and Technology (CPET). Other opportunities, like the creation of a tax increment reinvestment zone (TIRZ), had yet to materialize.

Given both the achievements made thus far and the need for a fresh perspective on its future, the EDC reengaged TIP in 2022 to create a five-year update to the original strategic plan. This new plan seeks to address some essential questions facing Pasadena's leadership. What has changed since the prior plan? What new opportunities are open to the community? How have the priorities and available resources evolved? While maintaining the original goal areas and target industries as its focal points, the current plan will outline further recommendations to ensure that Pasadena expands its economic footprint in the region, state, country, and even the world.

## PROJECT APPROACH

To build on Pasadena's achievements and continue its forward momentum, TIP was engaged to conduct a five-year update to the EDC's July 2018 strategic plan. The objective of the work was to update the strategies and actions in light of progress made since the prior plan, national economic disruptions, and prevailing trends. The planning process was conducted using TIP's three-phase Theory Into Practice planning model: discovery, opportunity, and implementation.

The initial discovery phase included a targeted assessment of relevant data points as well as discussions with the EDC and key partners to understand any changes to the organization's mission, vision, or priorities since the prior planning process. During the opportunity phase, TIP met with stakeholders, including facilitating a series of roundtables and several one-on-one interviews, to gain insights on Pasadena's challenges and opportunities. An important focus of the stakeholder outreach was the extent to which the EDC's target sectors have been impacted by economic disruptions and trends accelerated by the COVID-19 pandemic. In the final implementation phase, TIP provided recommendations for updating the 2018 plan based on findings from the quantitative and qualitative work. The revised action plan, created with the guidance of a 10-member steering committee, outlines goals and strategies for addressing sustainable economic development for all Pasadena residents.



# KEY FINDINGS

The quantitative and qualitative input gathered during the planning process, coupled with TIP's deep understanding of the region, yielded the following findings. They are by no means exhaustive, but they do represent issues identified as the most significant barriers to future progress in Pasadena.

## ***Pasadena's image and lack of visibility remains an issue.***

Perhaps the highest hurdle Pasadena urgently needs to clear is its lack of visibility. While no reputation may be better than a bad reputation, a community cannot grow substantially and sustainably without conveying a consistent, positive image. Even within Texas, many people simply do not know that Pasadena is the second largest city in the Houston area and has much to offer. Its diverse and vibrant culture presents opportunities for an increased focus on branding, which will have a direct impact on the city's economy long-term.

## ***New development is challenging as land becomes scarcer.***

As Pasadena seeks to build out, new and expanded development puts more pressure on how its land is used. The fallout from Hurricane Harvey in August 2017 exacerbated the problem by driving higher standards for construction, which limit land use even more. Innovative improvements to structures and systems can begin to address this issue. Adopting a TIRZ to encourage redevelopment has been proposed before but has not gained sufficient traction. Overhauling the online permitting portal would improve the developer experience. These ideas and others have implications for everything from catalyst projects to business retention and expansion.

## ***There is a perception that current regulations hamper development and make it more costly.***

Stakeholders engaged during the planning process pointed to City regulations as a significant limitation to development in Pasadena. While business owners and developers generally understand the need for regulations related to health and safety and the role of design standards in creating and maintaining a desirable quality of place, aspects of the land development code were viewed as burdensome and out of line with surrounding communities. These restrictions were perceived as hindering new businesses from expanding or relocating into Pasadena, preventing existing businesses from making improvements and additions, limiting job creation, and reducing property tax revenue. Pasadena was seen by some as an outlier among its neighbors and peers, who often do not share these same rules. In a competitive market, like the Houston metro area, Pasadena's ability to attract large-scale investment may rest on its ability to devise regulations that meet community objectives while providing flexibility to accommodate development projects. If Pasadena is to move forward with ambitious strategies, advocating to the City Council for a coordinated and comprehensive review of existing regulations should be a top priority. (See the Appendix for a brief overview of themes that arose during the planning process related to this issue.)

## ***San Jacinto College is an asset that generates value beyond the classroom.***

When the TIP team had the opportunity to visit the San Jacinto College (SJC) campus, its state-of-the-art facilities and equipment, as well as the confident vision of the school's leadership, were evident. Its place in the global petrochemical ecosystem is unparalleled, but the new CPET presents an opportunity to extend the college's reach into the future state of the energy industry. Exciting opportunities like the Promise scholarship program, which offers full tuition for Pasadena Independent School District (PISD) high school graduates, should be celebrated. The positive reputation of SJC is a valuable asset for Pasadena and could contribute significantly to the city's broader image.

***There remains work to do to align priorities and resources in the same direction.***

Although the EDC and the Pasadena Chamber of Commerce (the Chamber) have found much common ground to work collaboratively in recent years, their relationship with the City and other community partners will need further consideration. Coalition building and government advocacy for many of the recommendations in this plan will ultimately drive the success of its implementation. Identifying more projects and initiatives to tackle together will be the starting point. The recent creation of the IMPACT Pasadena program has been a resounding win and serves as an example for the importance of aligning goals within the community, while fostering the next generation of leadership.

# PLAN FRAMEWORK

In response to these findings, the six areas of focus from the 2018 plan were updated to reflect a 6x6 framework. The recommendations are designed to build on Pasadena’s many accomplishments and position the community for the future. Like the 2018 plan, translating these goals into reality will require a collaborative, citywide effort.

**FIGURE 1. 6X6 PLAN FRAMEWORK**

<p><b>GOAL 1</b> <b>MARKETING AND IMAGE</b></p> <p><i>Reimagine and reinvigorate the Pasadena brand.</i></p>	<p><b>GOAL 2</b> <b>BUSINESS DEVELOPMENT</b></p> <p><i>Nurture existing relationships with employers and build new ones.</i></p>	<p><b>GOAL 3</b> <b>WORKFORCE</b></p> <p><i>Grow and attract tomorrow’s top-tier talent.</i></p>
<p>1.1 Promote past successes. 1.2 Create coherent messaging. 1.3 Share small business wins. 1.4 Leverage IMPACT Pasadena. 1.5 Expand the online footprint. 1.6 Be part of the energy vision.</p>	<p>2.1 Push onward with BRE. 2.2 Focus BRE on target industries. 2.3 Work with regional employers. 2.4 Promote small business tools. 2.5 Develop new incentives. 2.6 Facilitate new business creation.</p>	<p>3.1 Promote SJC CPET offerings. 3.2 Market SJC Promise program. 3.3 Promote PISD offerings. 3.4 Recruit Texas talent. 3.5 Expand nondegree training. 3.6 Engage in area workforce efforts.</p>
<p><b>GOAL 4</b> <b>CATALYST PROJECTS</b></p> <p><i>Make bold investments in ambitious developments.</i></p>	<p><b>GOAL 5</b> <b>TOURISM AND RETAIL</b></p> <p><i>Seize brick-and-mortar opportunities in the post-COVID market.</i></p>	<p><b>GOAL 6</b> <b>SUPPORT STRUCTURES</b></p> <p><i>Build the systems, processes, and spaces necessary for future growth.</i></p>
<p>4.1 Consider prioritizing mixed-use. 4.2 Recommend creating a TIRZ. 4.3 Revitalize the historic district. 4.4 Redevelop the mall. 4.5 Reimagine the Convention Center. 4.6 Pursue beautification projects.</p>	<p>5.1 Expand Pasadena Loves Local. 5.2 Attract new retail development. 5.3 Leverage Houston area events. 5.4 Extend network reach. 5.5 Embrace foreign connections. 5.6 Launch Visit Pasadena.</p>	<p>6.1 Revamp permitting. 6.2 Manage capacity. 6.3 Create small business liaison. 6.4 Address water improvements. 6.5 Expand housing development. 6.6 Align tax policy.</p>

Source(s): TIP Strategies, Inc.

# STRATEGIC PLAN UPDATE 2023–2027

This strategic plan update provides a transparent and actionable set of recommendations for moving the Pasadena economy forward. The six goals and overall approach recommended in the 2018 EDC plan remain as important in 2023 as they were when first adopted five years earlier.

Since 2018, the Pasadena EDC has made measurable progress toward each of the six goals included in the plan. Selected highlights for each goal are outlined in Figure 2. The purpose of this update is to identify strategies that are working well and should be continued or expanded, revisit strategies that no longer align with the EDC's priorities and resources, and recommend new strategies to prepare Pasadena for future growth.

**FIGURE 2. SELECTED ACCOMPLISHMENTS SINCE 2018 STRATEGIC PLAN COMPLETION**

GOAL	PROGRESS MADE SINCE 2018
<b>1</b> MARKETING AND IMAGE	<ul style="list-style-type: none"> <li>▶ Committed to facelifts along gateways and major corridors around the city.</li> <li>▶ Launched new EDC website, marketing, and social media efforts.</li> <li>▶ Created IMPACT Pasadena, building a pipeline of business and community leaders who positively influence the community's image and reality.</li> </ul>
<b>2</b> BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> <li>▶ Received IEDC Accredited Economic Development Organization (AEDO) status recognizing organizational excellence of the EDC, only the 11th AEDO in Texas.</li> <li>▶ Continued growth and expansion in petrochemical plants, related facilities, and other industrial projects resulting in billions of dollars in capital investment.</li> <li>▶ Formed business retention and expansion (BRE) program with EDC-Chamber collaboration.</li> </ul>
<b>3</b> WORKFORCE	<ul style="list-style-type: none"> <li>▶ Received \$30 million in funding for San Jacinto College Promise program to provide free tuition for PISD students for up to three years.</li> <li>▶ PISD named finalist for Large District H-E-B Excellence in Education Award.</li> <li>▶ Developed Retaining Instructors through Support and Education (RISE) program at PISD.</li> </ul>
<b>4</b> CATALYST PROJECTS	<ul style="list-style-type: none"> <li>▶ Demolished former bank building to set the stage for mall redevelopment.</li> <li>▶ Constructed and opened San Jacinto College CPET, providing a world-class technical training center that can serve as an anchor for future development.</li> <li>▶ Made significant strides in redevelopment along Shaw Avenue (façade improvements and streetscape enhancements) and other aging corridors.</li> </ul>
<b>5</b> TOURISM AND RETAIL	<ul style="list-style-type: none"> <li>▶ Created Pasadena Loves Local campaign promoting local business community through the collaborative efforts of the EDC, the City, and the Chamber.</li> <li>▶ Completed Livable Centers Study for North Pasadena with recommendations for small-scale business development and redevelopment, including retail.</li> <li>▶ Launched <i>Healthy Pasadena Livable Centers Study</i> for hospital district.</li> </ul>
<b>6</b> SUPPORT STRUCTURES	<ul style="list-style-type: none"> <li>▶ Initiated an overhaul of City's permitting system to transition to an online system.</li> <li>▶ Awarded millions of dollars from FEMA to City for post-Harvey flood mitigation.</li> <li>▶ Completed <i>Pasadena Healthy Parks Plan</i> to guide future investments in the City's parks and green spaces for the recreation and health of all residents.</li> </ul>

Source(s): TIP Strategies, Inc.

## GOAL 1. MARKETING AND IMAGE

### *Reimagine and reinvigorate the Pasadena brand.*

Perhaps Pasadena’s most pressing economic challenge is its negative perception. Talent and business attraction are difficult endeavors if a community is consistently perceived as stagnant or failing. This does not have to be the case for Pasadena. The city has some significant advantages that it must broadcast more effectively—its diversity and culture, its proximity to major regional infrastructure, and its strength in legacy industries, like petrochemicals, healthcare, and education. Taking collective ownership of the city’s external and internal image will lay the groundwork for all the recommendations in this action plan.

## STRATEGIES AND ACTIONS

**1.1. PROMOTE PAST SUCCESSES.** Tout the success of the previous planning efforts more broadly and aggressively.

- 1.1.1. Distribute press releases and conduct media interviews, in coordination with the City, to provide updates on the impacts of the 2018 strategic plan (and its update), as well as to broadcast the current plan’s development.
- 1.1.2. Collaborate with other local organizations and agencies, such as the Chamber and the City, to identify potential overlapping strategic plans to produce more unified messaging.
- 1.1.3. Focus on big wins, like the SJC CPET and the new BRE program.

**1.2. CREATE COHERENT MESSAGING.** Create a coherent and compelling message for why people and businesses should live and work in Pasadena.

- 1.2.1. Host regular (at least monthly) collaborative meetings between the leading local organizations involved in economic development and marketing efforts to establish a united vision and branding for Pasadena.
- 1.2.2. Create and distribute a survey for all Pasadena residents with a positive tone to generate a clearer picture of what they value most about the city (e.g., “What is your favorite part of living in Pasadena?”).
- 1.2.3. Translate the survey into Spanish to ensure its accessibility.

**1.3. SHARE SMALL BUSINESS WINS.** Tell success stories about local small businesses with pride.

- 1.3.1. Work with the Chamber to identify local businesses (both high-growth startups and mom-and-pop businesses) that have operated successfully in Pasadena.
- 1.3.2. Interview the founders/owners of the identified businesses and distribute the results widely via social media.
- 1.3.3. Leverage the Pasadena Loves Local campaign to gather relevant information from the community about the highest-performing small businesses.

**1.4. LEVERAGE IMPACT PASADENA.** Leverage and expand IMPACT Pasadena as a resource for highlighting all Pasadena has to offer.

- 1.4.1. Advertise the program, and the projects created by recent cohorts, more broadly.
- 1.4.2. Interview all outgoing cohort members and create a packaged video of their input.
- 1.4.3. Utilize prior participants as ambassadors to generate positive press about the program.
- 1.4.4. Provide new cohorts with a menu of community priorities to focus their efforts on the city’s most pressing challenges.



- 1.4.5. Expand the class size of each IMPACT Pasadena cohort to increase the impact and influence of the program on the community's future.
- 1.4.6. Set specific goals for the share of each class who are Pasadena residents (such as 50 percent) in addition to other affiliations with Pasadena (owning property, owning a business, or working in the community).
- 1.5. **EXPAND THE ONLINE FOOTPRINT.** Continue to expand Pasadena's online footprint.
  - 1.5.1. Benchmark 2021 (and pending 2022) annual report metrics of engagement with the new EDC website and social media accounts against the metrics of peer communities.
  - 1.5.2. Make the *Marketing Report Card* available as a standalone resource on the website and social media.
  - 1.5.3. Reach out to PISD high schools and SJC to conduct a search for digital ambassadors who can drive social media engagement.
  - 1.5.4. Take active ownership of Pasadena's Wikipedia entry. Assign EDC, City, and Chamber staff to regularly update the entry with accurate, consistent, and positive information about the community's business environment, workforce, and other relevant assets.
- 1.6. **BE PART OF THE ENERGY VISION.** Position Pasadena as a key part of Greater Houston's vision to lead the energy transition.
  - 1.6.1. Actively participate in industry conferences and other energy-related events in Houston.
  - 1.6.2. Conduct an economic impact study that analyzes the potential revenue generated by local industry investments in renewable energy.
  - 1.6.3. Educate local leadership on the present and future impacts of climate change and the related industry landscape.
  - 1.6.4. Identify national high-growth startups in the energy space and connect them with large local employers who would be interested in supply chain acquisitions.

## GOAL 2. BUSINESS DEVELOPMENT

*Nurture existing relationships with employers and build new ones.*

The task of effective business development is to nurture existing relationships while simultaneously expanding the economic footprint of a community. In Pasadena's case, the city has a vibrant small business ecosystem and a massive industrial presence linked to large legacy employers, both of which need ongoing support. In addition to retaining its existing employers, local leadership should do more to strengthen and diversify the Pasadena economy by capturing new and expanding businesses.

### STRATEGIES AND ACTIONS

- 2.1. **PUSH ONWARD WITH BRE.** Expand awareness of the EDC/Chamber collaboration on the business retention and expansion (BRE) program initiated in 2021.
  - 2.1.1. Host townhalls for local small business owners who can benefit from the Pasadena Loves Local campaign to provide actionable information and answer questions.
  - 2.1.2. Extend the reach of the program to local employers of all sizes, beyond small businesses.
  - 2.1.3. Utilize the program as an avenue for improving information gathering from the Pasadena business community.

- 2.1.4. Detail the goals and actions of the BRE program more clearly on the EDC and the Chamber websites.
- 2.2. **FOCUS BRE ON TARGET INDUSTRIES.** Focus BRE efforts on the industries outlined in the Target Industries section of this plan.
  - 2.2.1. Identify sectors ripe for foreign direct investment and pursue expansion opportunities.
  - 2.2.2. Set actionable goal metrics tied to the local growth of target industries, monitor progress, and share data-driven impacts with the public.
  - 2.2.3. Broaden the community's priorities beyond the petrochemical industry and intentionally pursue opportunities in the other identified industries as well.
- 2.3. **WORK WITH REGIONAL EMPLOYERS.** Work with greater Houston-area employers to identify pain points and present expanding their operations in Pasadena as the solution.
  - 2.3.1. Initiate and maintain contact with target businesses that could integrate smoothly with the Pasadena economic landscape.
  - 2.3.2. Designate a staff member to act as the primary liaison between the EDC and potentially relocating or expanding area companies.
- 2.4. **PROMOTE SMALL BUSINESS TOOLS.** Continue investing in tools such as SizeUp Pasadena and other business intelligence tools and platforms that enhance the competitiveness of local businesses and support their growth.
  - 2.4.1. Increase awareness of the SizeUp Pasadena business intelligence tool and optimize its user-friendliness.
  - 2.4.2. Ensure that 100 percent of the tool's functionality is available in Spanish.
  - 2.4.3. Market the tool more aggressively to local small businesses.
- 2.5. **DEVELOP NEW INCENTIVES.** Develop new incentives focused on retaining and expanding existing Pasadena employers.
  - 2.5.1. Stipulate metrics, such as job creation and capital investment, to qualify for financial incentives.
- 2.6. **FACILITATE NEW BUSINESS CREATION.** Establish Pasadena as an attractive location for entrepreneurship.
  - 2.6.1. Evaluate, per Strategy 4.1 and Strategy 4.5, the inclusion of coworking space in mixed-use developments and the Convention Center complex.
  - 2.6.2. Work with the Chamber to develop new networking events for local entrepreneurs with a focus on tech startups.
  - 2.6.3. Ensure that City policy regarding new business formation is aligned with neighboring municipalities.

## GOAL 3. WORKFORCE

### *Grow and attract tomorrow's top-tier talent.*

Pasadena is home to a thriving educational ecosystem, including one of the largest school districts in Texas (Pasadena ISD) and San Jacinto College, a pillar of Greater Houston's robust community college network. The task at hand is to drive the city's workforce into the future by capitalizing on these assets and connecting them as closely as possible to local industry needs. In several cases, these efforts will require widespread buy-in and additional fiscal investment, however, over the long-term, investments in talent generally reap rewards that greatly exceed the cost.

## STRATEGIES AND ACTIONS

- 3.1. PROMOTE SJC CPET OFFERINGS.** Promote the San Jacinto College (SJC) LyondellBasell Center for Petrochemical, Energy, and Technology (CPET) and its unique training offerings and facilities.
  - 3.1.1.** Develop, in collaboration with SJC, a matched-funding marketing campaign to extend awareness of CPET beyond Pasadena.
  - 3.1.2.** Engage companies that have sponsored or donated equipment to CPET labs and gather testimonials about its value to industry.
  - 3.1.3.** Work with regional partners to raise the profile of CPET facilities among a diverse set of industries beyond petrochemicals and energy, such as semiconductors and food processing.
- 3.2. MARKET SJC'S PROMISE PROGRAM.** Work with San Jacinto College to advertise the Promise scholarship program (which provides three-year funding for local students).
  - 3.2.1.** Ensure that detailed information and messaging about the scholarship is provided in every PISD high school by college and guidance counselors.
  - 3.2.2.** Create a locally broadcasted media campaign (including social media) to increase applications.
- 3.3. PROMOTE PISD OFFERINGS.** Leverage the sterling reputation of PISD to the next generation needs of local employers and higher education programs.
  - 3.3.1.** Enhance data-driven analysis of the preparedness of PISD graduates, including both students entering the workforce and those entering higher education programs.
  - 3.3.2.** Generate succinct brochure-style materials that highlight the opportunities available for graduates who choose to stay in Pasadena.
- 3.4. RECRUIT TEXAS TALENT.** Building on the enhanced brand initiatives outlined in Goal 1, collaborate with SJC and University of Houston–Clear Lake (UHCL) to enhance recruitment and retention of higher education students and young professionals from across Texas.
  - 3.4.1.** Extend the scope of SJC and UHCL outreach to include high school guidance/college counselors from across the state, with a particular emphasis on CPET and related career opportunities.
  - 3.4.2.** Further integrate upcoming SJC graduates with employers in identified target industries, to include expanded career fairs, site visits, and mock interviews.
  - 3.4.3.** Collaborate with petrochemical departments in the Texas Tier 1 research universities to market Pasadena's unique economic opportunities to graduates.
  - 3.4.4.** Host regular networking events specifically for young professionals.
  - 3.4.5.** Offer regular informational webinars for interested young professionals statewide.
- 3.5. EXPAND NONDEGREE TRAINING.** Ensure that the PISD Career and Technical (CT) High School and the SJC Continuing and Professional Development (CPD) program have the capacity and resources to offer training and certifications in all target industries.
  - 3.5.1.** Seek additional capital investment from local employers with a focus on further funding to sustain CPD.
  - 3.5.2.** Advocate at the City level for additional funding for PISD with a focus on CT.
- 3.6. ENGAGE IN AREA WORKFORCE INITIATIVES.** Take an active role in regional workforce development and training initiatives.

- 3.6.1. Engage on a regular basis with the Economic Alliance Houston Port Region and other regional partners working to develop a skilled workforce in and around Pasadena.
- 3.6.2. Leverage the UHCL network of programs, students, and alumni to establish stronger regional relationships in talent and workforce efforts.

## GOAL 4. CATALYST PROJECTS

*Make bold investments in ambitious developments.*

While many of the recommendations in this action plan involve creating, expanding, and maintaining programs and initiatives, Pasadena needs large-scale physical developments as well. This section includes significant high-cost but high-yield projects that could have a transformative impact on the city's economy. Some are already in progress but require renewed attention and investment. Others may have been discussed but have not come to fruition. Still others are new entirely. The completion of these projects will further establish Pasadena as one of the most dynamic cities in the Houston area.

### STRATEGIES AND ACTIONS

- 4.1. **CONSIDER PRIORITIZING MIXED-USE.** Increase the housing supply and simultaneously improve placemaking by demonstrating the value of mixed-use development projects.
  - 4.1.1. Deliberately pursue regional real estate developers who focus on mixed-use.
  - 4.1.2. Advocate for revisions to local ordinances that negatively impact multifamily housing construction (see Appendix).
- 4.2. **RECOMMEND CREATING A TIRZ.** Advocate at the City level for a TIRZ, which will spur redevelopment efforts.
  - 4.2.1. Coordinate with City Council and staff to highlight the unique economic benefits of the TIRZ and the fact that they are widely used elsewhere in the region.
  - 4.2.2. Launch an advertising campaign to inform citizens of the advantages a TIRZ can provide.
- 4.3. **REVITALIZE THE HISTORIC DISTRICT.** Build on the momentum of the completed Phase 1 Shaw Avenue development to drive continued investment in the historic district.
  - 4.3.1. Host an event to celebrate the completion of the \$3.8 million Phase 1, which included roadway repaving, sidewalk widening, pedestrian lighting, landscaping, and striping.
  - 4.3.2. Use the event recommended in Action 4.3.1 to build momentum for the pursuit of completion of upcoming phases of the project.
  - 4.3.3. Expand marketing of the placemaking mural projects on Shaw Avenue.
  - 4.3.4. Choose a simple and unified message for the collection of artwork. (Current messaging references themes like "revive/revival" and "gateway," "safety," and "connectivity.")
- 4.4. **REDEVELOP THE MALL.** Renew aggressive planning efforts to redevelop the Macroplaza Mall (see Houston Memorial City Mall, page 11).
  - 4.4.1. Proactively engage real estate development firms with local, regional, and state footprints to advocate for the project's high return on investment.
- 4.5. **REIMAGINE THE CONVENTION CENTER.** Reimagine renovations and additions to the Convention Center to include creative uses of the space, such as new cultural events and multiuse facilities.

- 4.5.1. Foster collaboration among real estate developers, investors, and Convention Center decision-makers to consider the best and most profitable use of the space.
  - 4.5.2. Explore opportunities provided by the center's location adjacent to CPET.
  - 4.5.3. Update the hotel feasibility study for the complex.
  - 4.5.4. Cultivate comprehensive partnerships with City-owned facilities, including the Convention Center, the golf course, and athletic fields.
  - 4.5.5. Pursue development of a visitor attraction adjacent to the Convention Center and CPET and modeled on facilities like Space Center Houston and INFINITY Science Center in coastal Mississippi. Such a facility could host K–12 students, higher education students, industry partners, and anyone interested in getting a hands-on introduction to energy, petrochemicals, and other technologically advanced industry processes.
- 4.6. **PURSUE BEAUTIFICATION PROJECTS.** Pursue beautification projects to improve Pasadena's quality of place.
- 4.6.1. Use the 2020 *Pasadena Healthy Parks Plan* as a guide for greenspace developments.
  - 4.6.2. Retain the artists responsible for the murals along Shaw Avenue for additional projects.

### HOUSTON MEMORIAL CITY MALL

In May 2022, real estate development firm MetroNational announced plans to reimagine a 300-acre site in Houston that includes Memorial City Mall, beginning with a 27-acre, 190,000-square-foot, mixed-use project to be named Memorial Town Square. Phase 1 will include local and national boutiques, restaurants, health-and-wellness services, and greenspace. Phase 1 completion is expected in 2025. Phases 2 and 3 will focus on a residential tower with more than 250 multifamily units and a 375,000-square-foot, commercial, office building, respectively.

## GOAL 5. TOURISM AND RETAIL

*Seize brick-and-mortar opportunities in the post-COVID market.*

The COVID-19 pandemic ravaged the American brick-and-mortar retail landscape and severely limited the prospects of in-person tourism activities. However, now that restrictions have lifted and consumers are becoming comfortable with their usual level of travel and business patronage, there are renewed economic opportunities in the tourism and retail space. In conjunction with the recommendations in Goal 4, this section outlines strategies the Pasadena leadership can pursue that will grow its tourism and retail sector and establish the city as a destination within the Houston area.

### STRATEGIES AND ACTIONS

- 5.1. **EXPAND PASADENA LOVES LOCAL.** Fully fund and expand the Pasadena Loves Local initiative to grow small businesses.
  - 5.1.1. Secure the necessary funds to continue the Pasadena Cares Financial Assistance Grant Program.
  - 5.1.2. Increase the frequency and promotion of citywide events showcasing local businesses (e.g., a bar crawl).
  - 5.1.3. Advertise all Pasadena Loves Local events in the broader Houston metro area.
- 5.2. **ATTRACT NEW RETAIL DEVELOPMENT.** Pursue retail developers invested in new storefront models in accordance with Goal 4's prioritization of mixed-use projects.



- 5.2.1. Identify and target retail businesses with a current presence in the Houston metro area, but not yet in Pasadena.
- 5.3. **LEVERAGE HOUSTON AREA EVENTS.** Aggressively pursue and create joint tourism-focused events that cross municipal boundaries.
  - 5.3.1. Begin preparation planning for the 2026 World Cup, parts of which will take place in Houston.
  - 5.3.2. Work with all Houston area tourism departments and associations to evaluate potential collaborative events and increase local attendance (e.g., McDonald's Texas Invitational Basketball Tournament).
- 5.4. **EXTEND NETWORK REACH.** Allocate capacity and resources to regularly engage with national and global tourism industry conferences.
  - 5.4.1. Prioritize in-person participation (rather than virtual) at Houston-area conferences, with in-person attendance prioritized for Texas and US events as resources allow.
  - 5.4.2. Maintain an internal spreadsheet of tourism-related webinars that can be attended virtually.
- 5.5. **EMBRACE FOREIGN CONNECTIONS.** Leverage the city's vibrant Hispanic population to increase international tourism and cultural events.
  - 5.5.1. Conduct outreach to residents (with options available in Spanish) to solicit input on the types of events and amenities that would generate cultural pride and increased visitation from outside Pasadena.
  - 5.5.2. Collaborate with the leadership of the Convention Center complex to develop events to be hosted at the facility that emphasize Hispanic heritage, including those that would draw international visitors.
- 5.6. **LAUNCH VISIT PASADENA.** Launch a collaborative effort between the EDC, the Chamber, and the City to create a new Visit Pasadena website with all relevant information for visitors.
  - 5.6.1. Conduct a thorough review of Houston's equivalent landing page to investigate best practices.
  - 5.6.2. Given the lack of a convention and visitors bureau in Pasadena, ensure that representatives of all responsible parties are part of a special commission to oversee the website's development and launch.

## GOAL 6. SUPPORT STRUCTURES

*Build the systems, processes, and spaces necessary for future growth.*

No set of recommendations for economic development can come to fruition without a dedication to the foundations that will support future progress. In Pasadena's case, there are certain procedural, capacity, and infrastructure needs that will greatly impact the successful implementation of this plan. For example, as described in the Key Findings section, a number of specific City ordinances are hindering new development and redevelopment throughout the community. Combined with obstacles presented by the permitting process itself, this support mechanism is weak at its base. Other recommendations in this section address human resources and physical structures.

### STRATEGIES AND ACTIONS

- 6.1. **REVAMP PERMITTING.** Revamp the City's permitting processes and policies to facilitate high-quality development, while maintaining community objectives and standards.
  - 6.1.1. Complete the planned transition to fully online permitting in conjunction with Tyler Technologies.
  - 6.1.2. Conduct a comprehensive review of the City's current ordinances that impact real estate developments, including those highlighted in the Appendix.

- 6.1.3. Invite relevant City department staff responsible for permitting and development review to EDC business prospect meetings for retention/expansion opportunities and recruitment projects.
- 6.2. **MANAGE CAPACITY.** Manage capacity by reviewing all economic development organizational resources and increasing funding where necessary.
  - 6.2.1. Expand EDC staff capacity to meet the needs of existing and potential businesses, facilitate redevelopment projects, and align with staffing levels of competitor and peer EDCs across Texas. *Full staffing for the EDC would require at least two (and up to four) additional staff, including a dedicated role for business development and a dedicated role for redevelopment and catalyst projects. Additional roles that would help the EDC deliver on its mission would include deputy director and an additional role focused on tourism and retail.*
  - 6.2.2. Work with the City, the Chamber, and other partners to identify and communicate the need for additional professional staff at City departments responsible for planning, permitting, development review, code enforcement, public works, and other related functions.
  - 6.2.3. Work with the Chamber to ensure adequate staff capacity for its key supporting role as a partner in the EDC's strategic plan.
- 6.3. **CREATE SMALL BUSINESS LIAISON.** Create a new business liaison position (or potentially multiple positions), which would serve as the point person and designated advocate for local small business owners' needs.
- 6.4. **ADDRESS WATER IMPROVEMENTS.** Ensure that Pasadena's water supply is fully functional and sustainable.
  - 6.4.1. Review all progress to date and evaluate additional needs and future strains on water supply.
- 6.5. **EXPAND HOUSING DEVELOPMENT.** Set an ambitious goal for new housing development, targeting 1,000 net new housing units by 2027.
  - 6.5.1. Identify sites and development opportunities for new, high-quality, market-rate multifamily housing units; single-family units; and residential elements of mixed-use developments (i.e., projects that combine housing with retail and commercial space).
  - 6.5.2. Complete the Parkway Trails master-planned community, announced in 2020, to add 500 single-family homes.
- 6.6. **ALIGN TAX POLICY.** Review all progress made and work yet to be done on a comprehensive City tax abatement policy.

# ECONOMIC CONTEXT

As part of the strategic planning process, TIP conducted an analysis of current conditions in Pasadena with regard to several factors of interest to the EDC, including real estate trends, taxes and revenues, and commuting patterns. The analysis was completed as part of TIP’s initial discovery phase and was delivered as an interactive data visualization. Key findings from this analysis, summarized in this section, informed and guided the direction of the strategic plan.

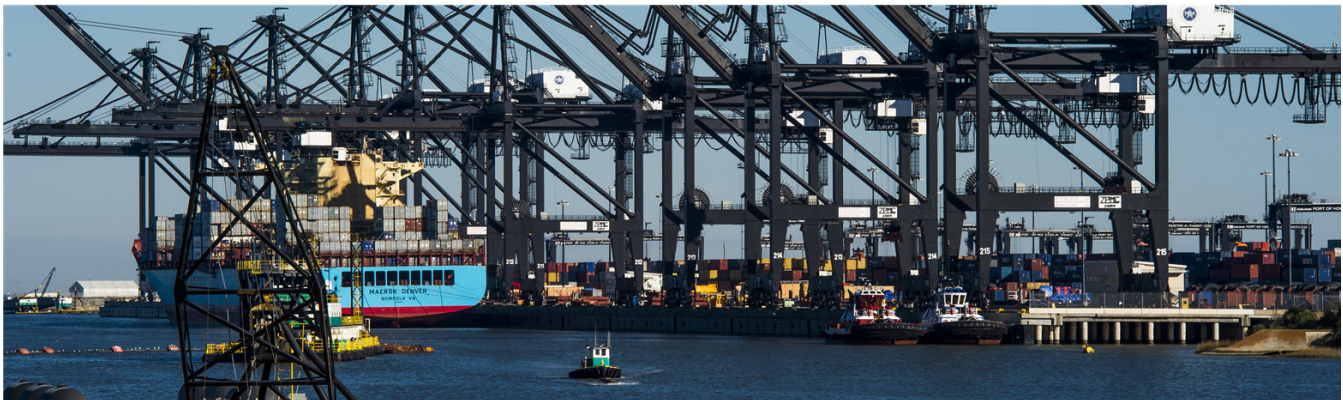
## *Multifamily construction in Pasadena has lost momentum.*

When cities approach their build-out potential, they face two options. Those without adjacent neighbors can usually consider annexation. Cities that are more hemmed in face a narrower path forward. They must redevelop to keep their populations growing and their tax base rising. In Texas, cities like Dallas and Irving have confronted this dilemma in recent years and have embraced redevelopment and multifamily construction opportunities.

Pasadena has now arrived at this crossroad. As the city’s vacant land inventory has waned, multifamily construction has slowed significantly (see Figure 4, page 14). As recently as the early 2000s, there were still occasional spurts of new development when the city’s apartment construction rate (defined as the number of units under construction relative to the total inventory of units) could match the rest of the Houston metropolitan statistical area (MSA). But even then, the momentum never lasted for a sustained period. Since the Great Recession (2007–2009), Pasadena’s multifamily pipeline has been intermittent at best, with fewer than 1,000 units added in total over the past dozen years.

**FIGURE 3. CURRENT CONDITIONS ANALYSIS TITLE PAGE**  
INTERACTIVE DATA VISUALIZATION DELIVERED SEPARATELY

### CURRENT CONDITIONS ANALYSIS | OVERVIEW



#### NAVIGATE IN TABLEAU

Navigate this workbook by using the menu or tabs to move between visualizations. Each chart has tooltips that are shown by hovering the mouse over a chart element. Series in a chart may be highlighted or emphasized by clicking on an element in the chart or in the corresponding legend. Many charts also have interactive filters in the form of drop-down menus or sliding bars to change which geographies, years, or other metrics are displayed. Each chart also has a "Return to Menu" button in the lower-right corner that returns to the menu page.

#### EXPLORE KEY FINDINGS

A quantitative analysis uncovered four key trends impacting Pasadena’s economic development potential.

Start with Trends

#### EXPLORE ALL THE DATA

The menu on the next page includes interactive detail on real estate markets, the local tax base, commuting patterns, and regional risk factors.

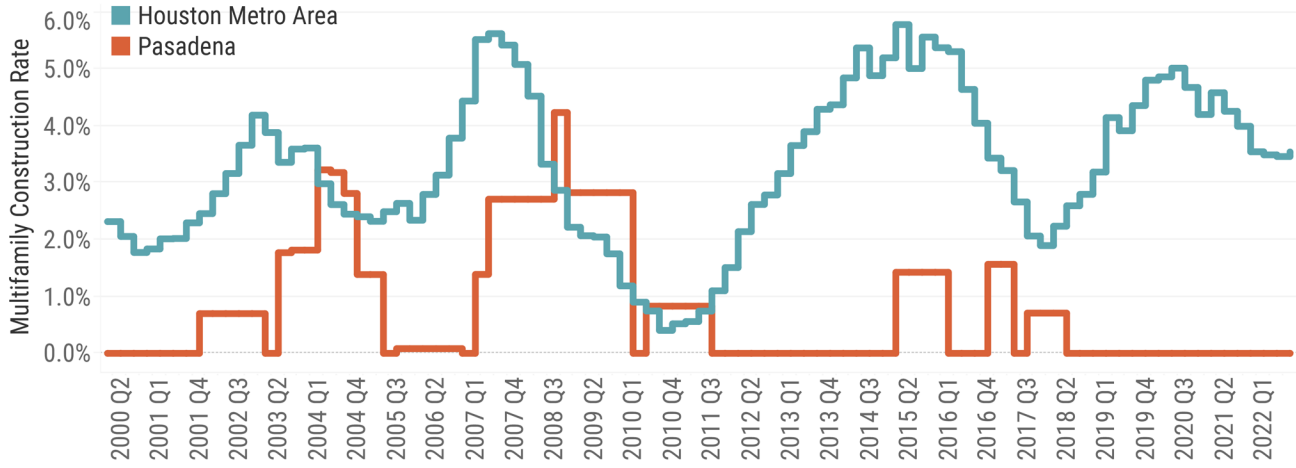
Go Straight to Menu



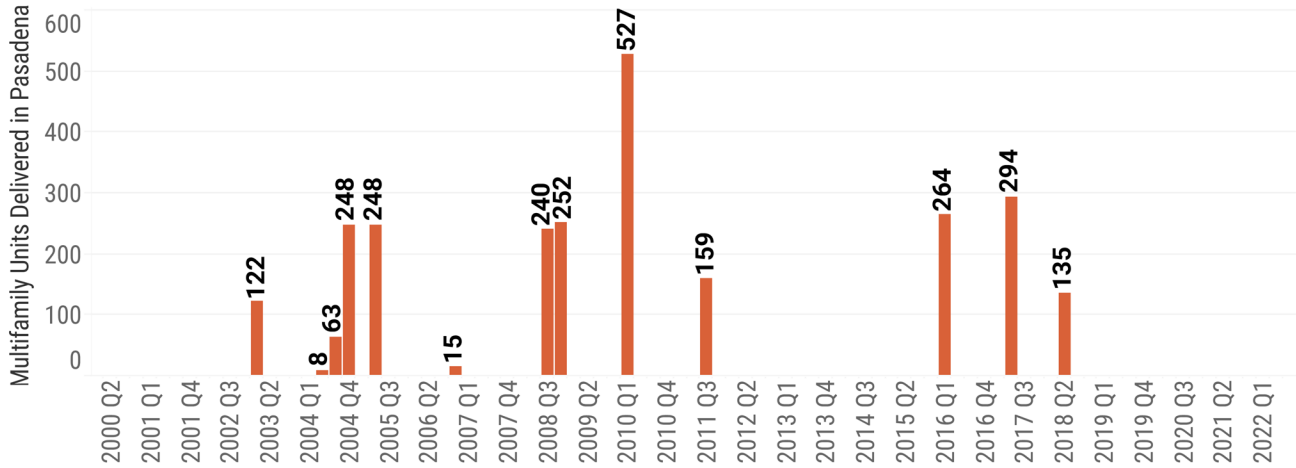
**SOURCES:** CoStar Group, City of Pasadena, Comprehensive Annual Financial Reports; Texas Comptroller of Public Accounts; Longitudinal Employer-Household Dynamics (LEHD), Origin-Destination Employment Statistics (LODES); US Department of Homeland Security, Federal Emergency Management Agency (FEMA), National Risk Index (NRI). Photo courtesy Pasadena EDC.

**FIGURE 4. MULTIFAMILY CONSTRUCTION TRENDS IN PASADENA AND THE HOUSTON MSA**  
COMPARATIVE CONSTRUCTION RATES (TOP) AND UNITS DELIVERED (BOTTOM)

**MULTIFAMILY CONSTRUCTION RATES IN PASADENA vs HOUSTON MSA**



**MULTIFAMILY UNITS DELIVERED IN PASADENA**



Source(s): CoStar Group; TIP Strategies, Inc.

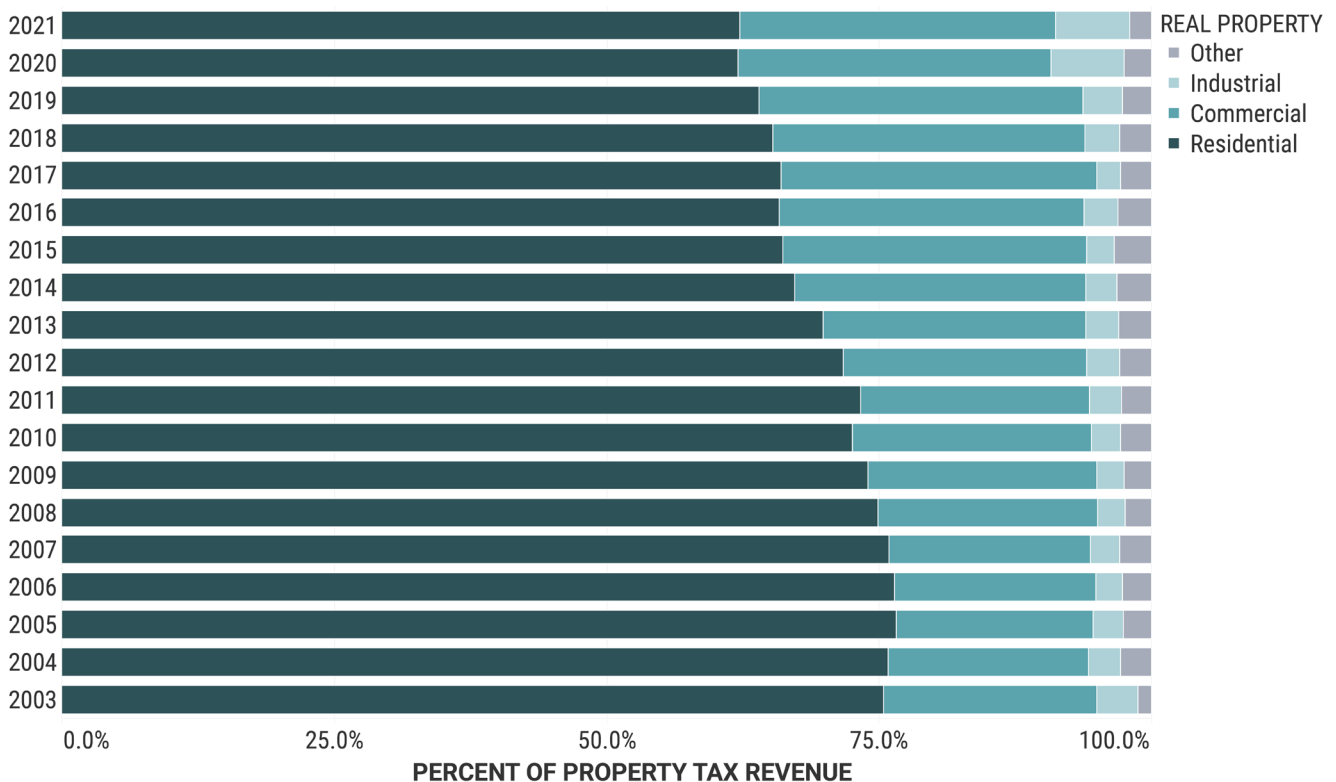
Note(s): The construction rate is the number of multifamily units under construction divided by total existing inventory of units.

**Residential property’s relative contribution to the tax base is falling.**

The languishing of Pasadena’s residential construction pipeline over time has unexpected consequences. The twenty-first century has been an era of unprecedented home price appreciation across the country. As residential values have risen, so has the property tax base. One might reasonably expect this to have been a boon for Pasadena’s tax coffers. In fact, even as residential property assessments grew, the residential slice of taxable property shrank considerably (see Figure 5, page 15). In FY2003, the assessed value of residential property in Pasadena was just over \$3 billion, or 75 percent of the total taxable value of all property in the city. By FY2021, residential property was valued at about \$6.6 billion. Yet as a share of all taxable property, the residential share had fallen to just 62 percent of the city’s total.

To be sure, this trend speaks to the success of Pasadena’s efforts to boost its commercial and industrial activities, but it also hints at missed opportunities to expand and modernize the housing stock and to steer the city’s residential portfolio toward a mix of options for current and future residents.

**FIGURE 5. PASADENA’S REAL PROPERTY TAX BASE**  
ANNUAL DISTRIBUTION OF TAXABLE PROPERTY APPRAISALS, 2003–2021



Source(s): City of Pasadena, *Comprehensive Annual Financial Report* (various years); TIP Strategies, Inc.

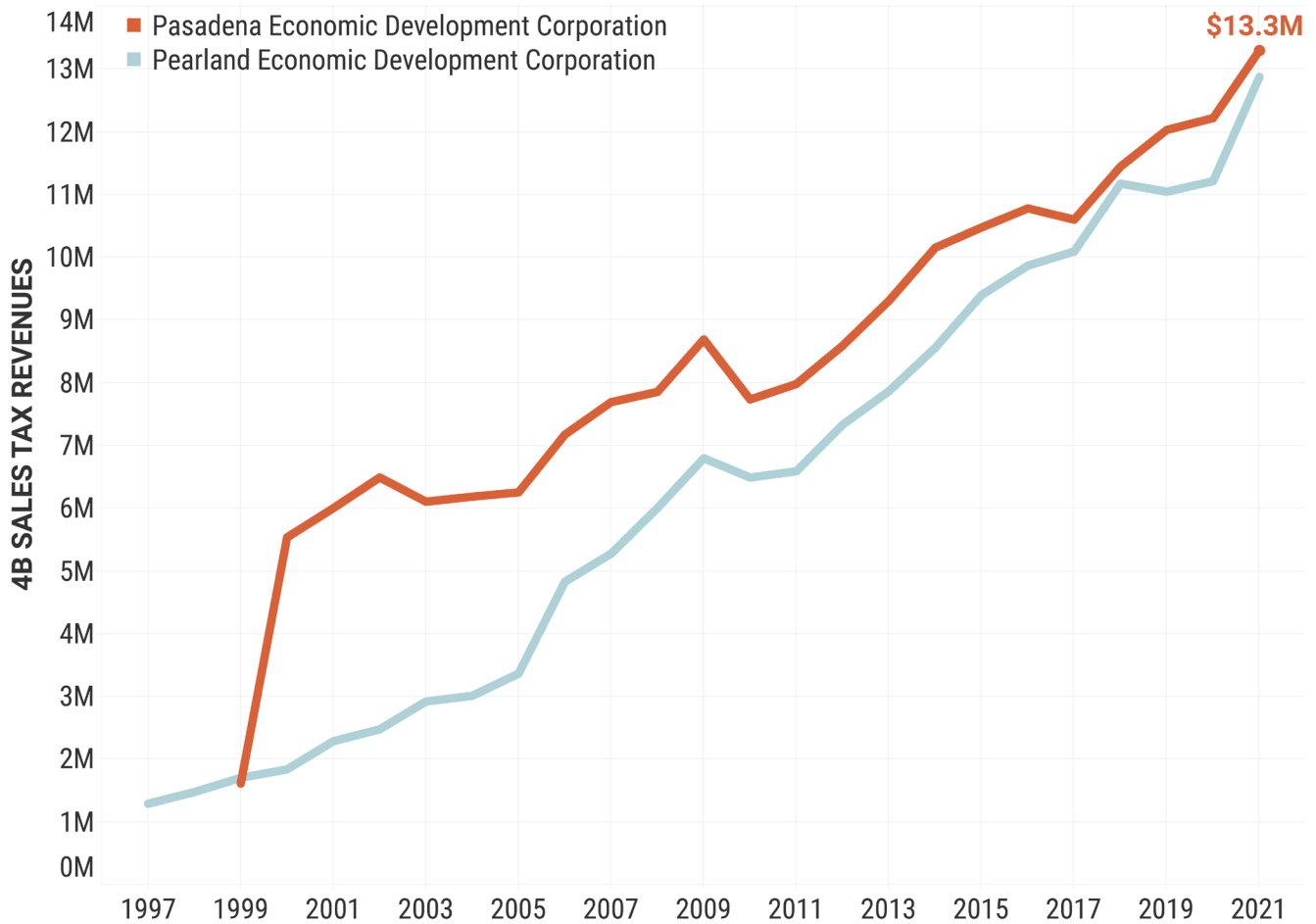


*Pasadena EDC revenues have climbed quickly, but it's the same story for other EDCs.*

Since the Pasadena EDC was established, its Section 4B economic development sales tax revenues have soared. It may be worth putting those revenue gains in perspective, however. As recently as 20 years ago, just 2.2 percent of taxable sales in the Houston MSA could be traced to Pasadena. Two decades later, as the Houston region has grown, Pasadena's slice has been squeezed to just 1.5 percent. As Houston grows, this trend is likely to continue unless Pasadena has a catalyst to draw more regional sales into the city's boundaries.

Aggressive efforts to stimulate the city's sales tax base will not go unchallenged. Other cities in the region, including those along the I-45 corridor, will have similar aims and ambitions in mind. Pearland's EDC, for example, has shared in Pasadena's two decades of 4B success (see Figure 6, page 16). The Pearland EDC's sales tax collections have grown in step with Pasadena over the past 20 years.

**FIGURE 6. COMPARISON OF SALES TAX REVENUE FOR PASADENA EDC AND PEARLAND EDC, 1997-2021**



Source(s): Texas Comptroller of Public Accounts; TIP Strategies, Inc.

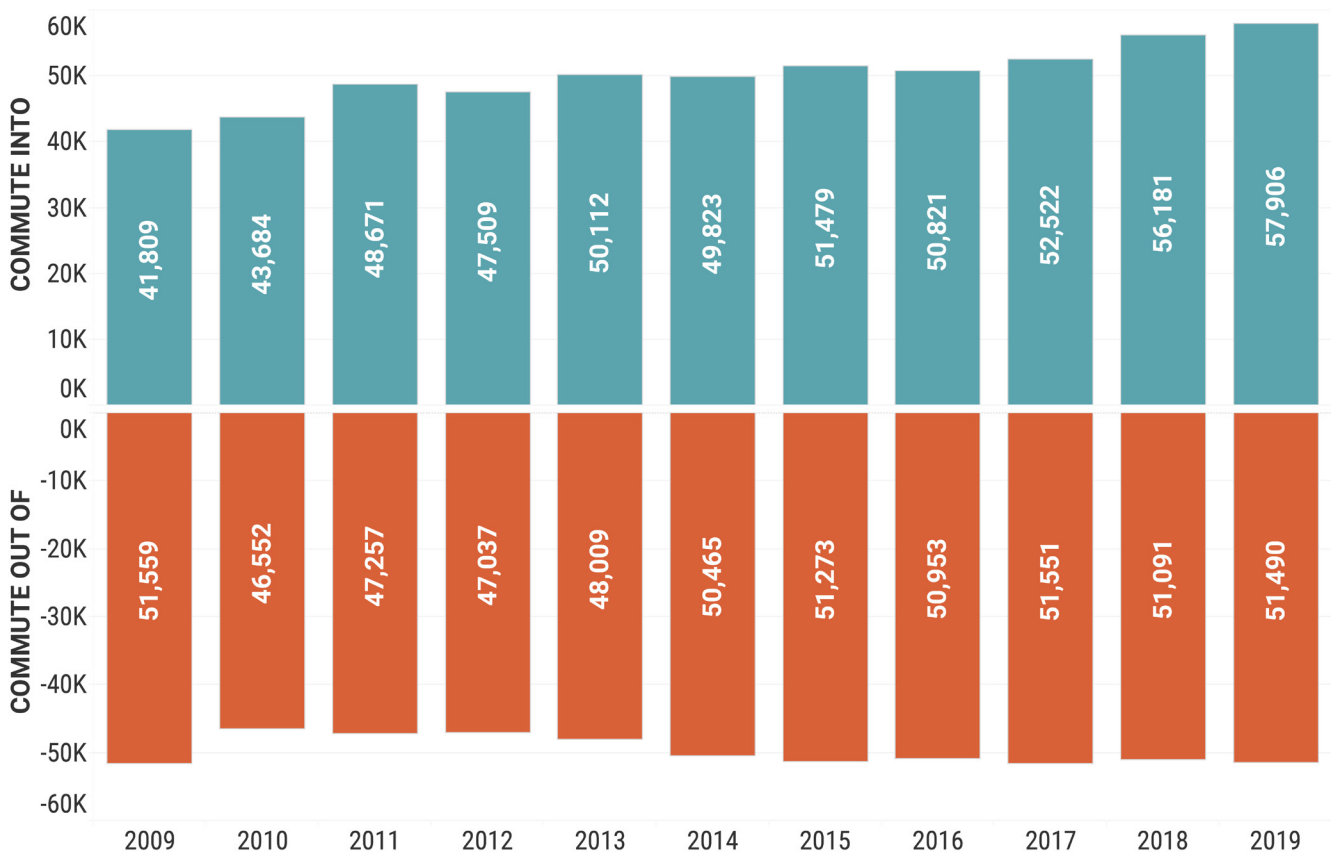
**Without housing construction, job growth inevitably leads to more inbound commuting.**

Dwindling housing construction has a ripple effect on the tax base. It impacts transportation patterns too. Consider that about 10,000 people who live in Pasadena also work in Pasadena. That number has not moved much in the past decade. There are another 50,000 or so individuals who live in Pasadena but are employed in other locations. Again, that number hasn't budged much in the past decade.

But one commuting metric has moved quite a bit: the number of people who live outside Pasadena but commute into the city for work (see Figure 7, page 17). In 2009, just under 42,000 jobs in Pasadena were filled by nonresidents. Ten years later, that number had soared to nearly 58,000. On the one hand, this dramatic change is a tribute to Pasadena's success in developing its economy and its job base. More people work in Pasadena today than in past years. However, on the other hand, there is some question whether those same inbound commuters could live closer to their jobs if they wanted to. It's not clear the housing opportunities exist in Pasadena to make that shorter commute possible.

**FIGURE 7. COMMUTING TRENDS FOR PASADENA, 2009–2019**

Commuting **into** the region means a person lives outside of the region and works inside of the region. Commuting **out of** the region means a person lives inside of the region and works outside of the region.



Source(s): Longitudinal Employer-Household Dynamics (LEHD), Origin-Destination Employment Statistics (LODES); TIP Strategies, Inc.  
 Note(s): The analysis of Pasadena's inbound and outbound commuting includes only residents and workers in Texas and Louisiana.

# TARGET INDUSTRIES

During the prior planning process, TIP conducted a comprehensive analysis, which resulted in the identification of six target industries: petrochemicals, professional and technical services, logistics and distribution, hospitality and tourism, healthcare, and aerospace manufacturing and research and development (R&D). These sectors were selected based on a three-part approach that included a review of quantitative, qualitative, and strategic factors (Figure 8).

As part of the plan update, TIP revisited the target industries. This qualitative review was based on discussions with the EDC, insights gained from the stakeholder engagement, and TIP’s experience evaluating target opportunities across the US. This section presents a brief overview of Pasadena’s assets and opportunities related to each target sector.

**FIGURE 8. TARGET INDUSTRY ANALYSIS APPROACH FOR 2018 PLAN**

QUANTITATIVE	
▶	Employment base (size)
▶	Growth (local, national)
▶	Concentration (location quotients) <sup>1</sup>
QUALITATIVE	
▶	Local and regional targets
▶	Recent leads and prospects
▶	Sites, infrastructure, and other assets
STRATEGIC	
▶	Local and regional initiatives
▶	Economic and demographic trends
▶	Emerging opportunities

## PETROCHEMICALS

The petrochemical industry cluster remains Pasadena’s most important economic asset. Pasadena’s extensive petrochemical value chain includes three key segments: (1) midstream and downstream petrochemical producers and refiners; (2) storage and transportation activities associated with the broader logistics and distribution sector; and (3) professional, engineering, and technical services supporting the petrochemical industry. Collectively, the various petrochemical segments in Pasadena and the surrounding Houston Port Region represent one of the largest and most significant petrochemical complexes in the world.

ASSETS	OPPORTUNITIES
▶ Petrochemical industry	▶ Golden age of industrial development
▶ Port of Houston and related industries	▶ Foreign direct investment (FDI) and international business attraction
▶ Industrial district	▶ Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) funding
▶ Greater Houston’s status as Energy Capital of the World and its ambition of leading the energy transition	▶ Carbon capture
▶ San Jacinto College (SJC)	
▶ SJC LyondellBasell Center for Petrochemical, Energy, and Technology (CPET)	
▶ Houston area Health and Safety Council	

<sup>1</sup> Location quotient (LQ) analysis is a statistical technique used to suggest areas of relative advantage. LQs are typically calculated as an industry’s share of total local employment divided by the same industry’s share of employment at the national level.

# PROFESSIONAL AND TECHNICAL SERVICES

Broadly defined, professional services (categorized under Sector 54 - Professional, Scientific, and Technical Services of the North American Industry Classification System) encompass everything from advertising, finance and insurance, real estate, legal services, and accounting to information technology, architecture and engineering, and other technical services. In Pasadena, the most promising opportunities for this sector include engineering services and other professional firms that support the petrochemical cluster. The continued growth of Pinnacle—now one of Pasadena’s largest employers—is an example of the types of engineering and technical services companies that are critical to the increasingly advanced technologies essential to the petrochemical industry and the broader energy and manufacturing sectors.

ASSETS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>▶ Petrochemical industry</li> <li>▶ Port of Houston and related industries</li> <li>▶ Greater Houston’s status as Energy Capital of the World and its ambition of leading the energy transition</li> <li>▶ SJC</li> <li>▶ SJC CPET</li> <li>▶ Pasadena Independent School District</li> <li>▶ University of Houston–Clear Lake</li> </ul>	<ul style="list-style-type: none"> <li>▶ IRA and IIJA funding</li> <li>▶ \$2.8 trillion market size (2.8 percent growth in 2022)</li> <li>▶ Increased information technology demands, like grocery delivery and video conferencing support</li> <li>▶ Sustainability transitions</li> <li>▶ Marketing tech (shift to digital)</li> </ul>

# LOGISTICS AND DISTRIBUTION

Pasadena’s multimodal transportation assets include the Port of Houston Bayport Container Terminal, the Houston Ship Channel, major highways (State Highway 225, Beltway 8, and State Highway 146), and a Class I railroad (Union Pacific). These assets, along with continued growth of the petrochemical sector, make logistics and distribution a strong recruitment target. In addition to traditional warehousing and distribution facilities, business recruitment should continue to target third-party logistics (3PL) providers, which offer a range of services, including assembling and repackaging materials, consolidating orders and shipments, physically delivering goods to customers, processing returned items, and handling e-commerce fulfillment operations.

ASSETS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>▶ Beltway 8</li> <li>▶ State Highway 225</li> <li>▶ Port of Houston and Houston Ship Channel</li> <li>▶ Proximity to Ellington Airport (EFD), William P. Hobby Airport (HOU), and George Bush Intercontinental Airport (IAH)</li> <li>▶ Industrial district</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reshoring and nearshoring</li> <li>▶ E-commerce</li> <li>▶ Port-related industry investment</li> <li>▶ Transportation innovation (freight mobility)</li> <li>▶ New warehousing developments</li> </ul>

# HOSPITALITY AND TOURISM

As local economies recover from the devastating blow to leisure travel struck by the COVID-19 pandemic, cities stand to gain by renewing their emphasis on the hospitality and tourism industry. The Convention Center complex is Pasadena’s most significant and dependable asset in this regard, with livestock and rodeo events drawing large crowds on a regular basis. However, the City could expand the scope of the center’s use and pursue more opportunities that draw on its vibrant Hispanic culture. Furthermore, a focus on mixed-use developments that connect housing to retail and food and beverage service could have a transformative impact on the future of hospitality in Pasadena.

ASSETS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>▶ Convention Center and Municipal Fairgrounds</li> <li>▶ Beltway corridor and retail/restaurants</li> <li>▶ Proximity to downtown Houston, port-related industries, William P. Hobby Airport (HOU)</li> <li>▶ SJC CPET</li> <li>▶ Armand Bayou Nature Center</li> <li>▶ El Jardin Beach</li> <li>▶ Silver Sycamore district</li> <li>▶ Pasadena Macropiazza Mall</li> </ul>	<ul style="list-style-type: none"> <li>▶ Return-to-normal travel post-pandemic</li> <li>▶ Development associated with SJC CPET</li> <li>▶ Hotel development along Beltway 8 and adjacent to CPET and Convention Center</li> <li>▶ Bleisure—using hotels as remote workspaces</li> <li>▶ Festivals, trade shows, and associations for Convention Center usage</li> </ul>

# HEALTHCARE

Given the severe and widespread impact of the COVID-19 pandemic, the economic importance of the healthcare industry has never been clearer. Pasadena has several significant assets within its own borders. HCA Houston Healthcare Southeast (formerly Bayshore Medical Center), St. Luke’s Health—Patients Medical Center, Pasadena Health Center, Dynacq Healthcare, and Texas Chiropractic College all help drive the local medical sphere. The Texas Medical Center, home to over 106,000 employees and the world’s largest children’s and cancer hospitals, is located nearby in Houston, which provides opportunities for small to mid-size biomedical companies to operate in Pasadena. Emerging technologies, like telemedicine, could play a critical role in the future of the healthcare industry, making R&D-centered facilities and talent ripe for capture.

ASSETS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>▶ HCA Houston Healthcare Southeast (HHSE)</li> <li>▶ CHI St. Luke’s Health—Patients Medical Center</li> <li>▶ Texas Chiropractic College</li> <li>▶ Proximity to Texas Medical Center (TMC)</li> <li>▶ TMC BioPort</li> </ul>	<ul style="list-style-type: none"> <li>▶ TMC BioPort spinoff opportunities</li> <li>▶ Expansion of Houston Methodist Clear Lake Hospital, Memorial Hermann Southeast Hospital, and The University of Texas Medical Branch facilities</li> <li>▶ <i>Healthy Pasadena Livable Centers Study</i> centered on HCA Houston Healthcare Southeast</li> <li>▶ Telehealth innovation</li> <li>▶ Creation of an enterprise zone around HHSE</li> </ul>



# AEROSPACE

Since the early 1960s when NASA decided to locate a flight center in Houston, the city has built a reputation as a hub for space exploration activity. More recently, the Federal Aviation Administration approval for Ellington Airport to become the nation's newest officially licensed commercial spaceport positioned the region to capture a range of new investment in aerospace manufacturing, engineering, and research/testing operations. In addition to assets like the NASA Neutral Buoyancy Laboratory and NASA Johnson Space Center, the region boasts a range of programs (including the UHCL Center for Robotics Software) and major private sector aerospace companies (including The Boeing Company, Honeywell, UTC Aerospace Systems, and Lockheed Martin Space Company). Since 2018, commercial space exploration has seen massive investment from major players including SpaceX, Blue Origin, and Virgin Galactic (among others). The competitive landscape has intensified alongside the increase in private sector investment, with a proliferation of activity in Texas, Florida, California, and other states vying for aerospace recruitment projects and supply chain activity. In addition, the federal government (NASA, Space Force, and the Department of Defense) has increased its commitments to ensuring the US is a leader in aerospace innovation and manufacturing to support space exploration. Fortunately for Pasadena, Greater Houston's aerospace assets are located in the city's backyard, making aerospace opportunities a promising growth target.

ASSETS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>▶ Ellington Airport (EFD)</li> <li>▶ NASA Johnson Space Center</li> <li>▶ William P. Hobby Airport (HOU)</li> <li>▶ San Jacinto College EDGE Center</li> </ul>	<ul style="list-style-type: none"> <li>▶ Innovation in unmanned aerial systems (UAS) and urban mobility</li> <li>▶ Global space tourism market worth \$3.6 billion by 2028</li> <li>▶ Major statewide investments in commercial and military aerospace manufacturing</li> <li>▶ Reshoring and nearshoring of production</li> <li>▶ Space Force and broader federal commitments to increase US competitiveness in space exploration</li> </ul>

# APPENDIX

During the development of the plan, stakeholders spoke about the challenges associated with the City's permitting process and existing regulations. Some key themes are outlined here.

- ▶ **PERMITTING PROCESS.** The City's reliance on a paper permit application and plan submission process was mentioned as being outdated and not competitive with other municipalities in the region that have switched to electronic systems. In addition to saving time, continuing to move forward with the transition to an electronic system would enable applicants to submit their permit and track its status without having to visit or call the Permit Department, a situation that would result in time savings for the customer and the City staff. The City's process for approving minor changes to plans was also viewed as a source of delay. Currently, developers are required to resubmit plans for approval when any change is made, which can set the project timeline back and drive up costs. Providing more flexibility by establishing criteria for minor changes that could be approved with as-built drawings could speed up the process.
- ▶ **DRAINAGE REQUIREMENTS.** Several points were raised about the manner in which drainage issues are handled in Pasadena, including the requirement to purchase a separate storm drainage permit under a Master Plumber license. One solution proposed during the planning process would be to allow drainage work to be performed as part of the Master permit. Alternatively, a revenue stream could be created by following the City of Houston's example of a Drain Layer's License, which uses an affidavit system and requires an annual fee for renewal of the license. The requirement regulating the placement and type of detention ponds was also called out as a regulation that raised the cost of development in Pasadena. By requiring all new ponds to be gravity flowed and restricting the placement to the sides or back of the property, developers are often forced to create a pond that is larger than would otherwise be required. If the objective is to ensure that ponds are properly maintained and do not create an eyesore, stakeholders suggested that the City could require an annual certification from a licensed professional, which would potentially create a new revenue stream.
- ▶ **PARKING.** Current Pasadena ordinances regarding parking spaces are perceived by some prospective commercial tenants as unnecessarily restrictive. The required number of spaces varies significantly, depending on the type of business. Restaurants must have one space per 100 square feet of gross floor area (GFA). Retail shopping centers must have one space per 200 square feet of GFA. Automotive repair shops must have 10 spaces per 1,000 square feet of GFA. The latter is notable because a public conflict over parking between a new automotive repair shop owner and the City made the local news in December 2021. A previous ordinance for the same tenant had required only one-half as many spaces, and the change would cost the owner roughly \$40,000. Sites in the Shaw Avenue district and strip malls may be excessively difficult for real estate developers and investors to build and update if the City does not amend its parking ordinances to imitate the more flexible laws of its neighbors (like Houston).
- ▶ **SETBACKS.** Pasadena's new ordinance requiring a 25-foot setback around the entire perimeter of vacant property limits the usable square footage, which can dramatically raise development costs. If the goal of this regulation is to address drainage issues (by reducing the amount of impervious cover), this objective could be achieved by enforcing the existing ordinance that requires all new developments to accept water from adjoining properties. This requirement could be strengthened by revising the ordinance to include increased requirement for drainage in easements. The City could require an as-built survey to verify the ability of the new drainage system to adequately manage the water from adjoining properties.

- ▶ **MULTIFAMILY DEVELOPMENT.** Discussions surrounding permitting in Pasadena also touched on challenges related to multifamily development. In particular, the ordinance limiting the total mass of all buildings in a multifamily development to 45 percent of the total site area was seen as detrimental. The requirement to provide garage parking for every four units was also called out.
- ▶ **FIRE SUPPRESSION/SAFETY.** Several examples were raised of regulations relating to fire suppression and the impact on development costs. Examples of requirements that were seen as adding to project costs include stringent requirements surrounding the layout of fire lanes (which can limit options for the site plan), the inability to construct interior firewalls (which can complicate fire suppression design), and the requirement for sprinkler systems in buildings over 10,000 square feet (which is higher than many surrounding communities where this expense is not incurred until the 12,000-square-foot threshold is reached). Changes to these and other similar ordinances could be done in a way that maintains the objective of health and safety while keeping costs in line with practices in other areas of the metro area.