Rockdale MDD

STRATEGIC ECONOMIC DEVELOPMENT PLAN

Prepared by Rockdale Municipal Development District

Adopted July 24, 2023

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EXECUTIVE SUMMARY

This Economic Development Strategic Plan was developed as a component part of Rockdale's Comprehensive Planning effort, started in 2023. This document is meant to update and replace any other plans done in 2012, 2015, and 2018.

The first part of this plan references a vision for Rockdale's future economy - that it will be a highly diversified one that delivers a high quality of life. This means that economic growth and development will provide the City with needed financial resources (tax and utility revenue) to make quality of place/life improvements. These quality of place/life improvements are explicitly stated in the Comprehensive Plan and Parks Master Plan.

These investments will start a virtuous cycle which builds upon itself.

Rockdale suffered an economic trauma following the closures of the ALCOA and Luminant plants in the early 2000's. These events created an elevated risk profile for Rockdale which caused an investment market failure which explains why Rockdale is in its current state. Addressing this elevated risk will be the first step in creating a virtuous cycle.

Private investment will often follow public investment. And, there are larger economic trends at play which Rockdale can take advantage of. If the City and MDD can make targeted small investments in projects meant to alleviate risk - specifically developing a new industrial park property and making beautification enhancements - then the virtuous cycle may begin.

The plan identified seven key areas to address:

- Community leadership and organizational development
- Quality of Place/Life - Rockdale as an investment location
- Attracting new industry
- Workforce development
- Housing development
- Entrepreneur ecosystem
- Retail expansion

These are not necessarily sequential - some actions can be taken concurrently while other items will have a cause and effect relationship, e.g., housing development often leads to more retail.

The final part of the plan breaks down the activities into an implementation schedule, responsible parties and, when know, projected costs. This plan can also serve as the framework for developing future annual budgets.

This plan is meant to be a working document - providing a path forward for Rockdale. Starting with small, marginal improvements in the community, many of which have already been started, the City will have the resources to take on ambitious projects.

We are going to do great things in Rockdale, Texas!

ABOUT THE ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

ABOUT THE ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

The Rockdale Municipal Development District was formed in 2010 when the Rockdale voters approved a ballot measure dissolving the hospital district sales tax and approving a half-cent sales tax for economic development.

The Rockdale Municipal Development District (RMDD) is authorized under Chapter 377 of the Texas Local Government Code.

The RMDD is governed by a seven member Board of Directors who are appointed by the City Council. The Board is then responsible for hiring and supervising the Economic Development Director.

Each year the RMDD creates an action plan which identifies what it seeks to accomplish in the coming year and ties that activity to its annual budget. The RMDD also creates an annual report to the City Council describing its activities and accomplishments.

The next page shows the RMDD's organizational mission and values statements along with an organizational chart.

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

ORGANIZATIONAL VISION STATEMENT

The Rockdale Municipal Development District will be the premier economic development organization in the Central Texas region that helps businesses and residents prosper.

ORGANIZATIONAL VALUES STATEMENT

Stability. The Rockdale Municipal Development District will be an organization that is financially stable by producing a balanced budget, engaging in long-term financial planning, and being prudent stewards of public funds. The MDD will be operationally secure by establishing sound financial and internal control policies and governance structures. The MDD will also carefully manage and consider the risks (operational and financial) inherent in managing an economic development organization.

Transparency. The Rockdale Municipal Development District will share all available information willingly and openly.

Operational Excellence. The Rockdale Municipal Development District will follow current economic development best practices. The RMDD will strive to execute our mission to the best of everyone's ability. Any work product will be of the highest quality for our best efforts.

Innovation. The Rockdale Municipal Development District will be engaged in continuous learning. This learning will inspire everyone involved with the RMDD to uniquely approach problems.

Tenacity. The Rockdale Municipal Development District will not give up until our mission is complete.

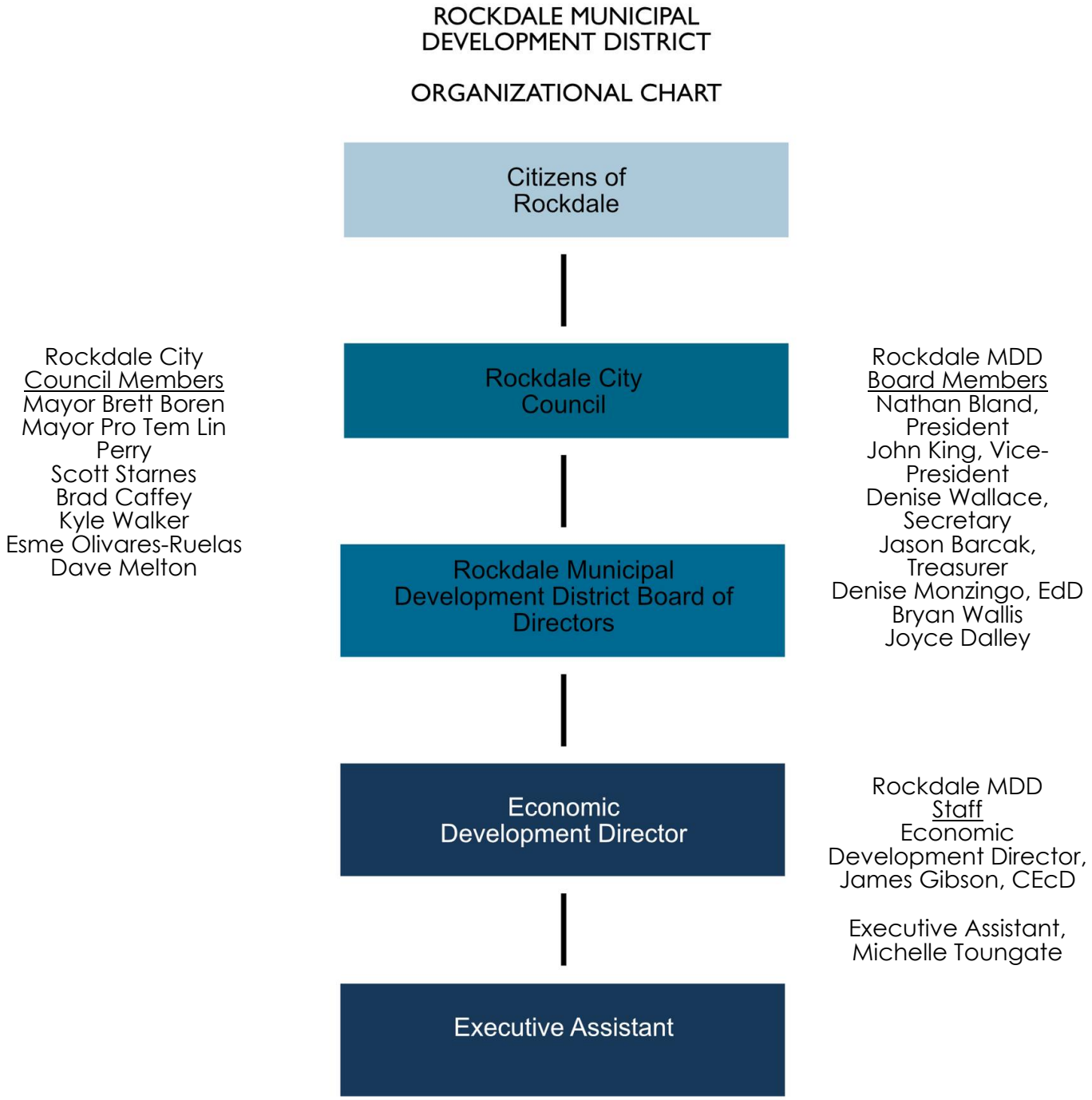
Inspiring. The Rockdale Municipal Development District will be thought leaders for other community leaders and the broader business and economic development community.

Collaboration. The Rockdale Municipal Development District will openly and eagerly work as a resource with other economic development entities and local business and community organizations to help them achieve their goals.

Planning. The Rockdale Municipal Development District will view its work and actions in terms of a long range effort. This will include creating viable and realistic strategic plans that will secure the enduring success of the community.

The Rockdale Municipal Development District is governed by a seven person Board of Directors, appointed by the Rockdale City Council, for a two year term.

The RMDD currently has two full-time employees, an Economic Development Director and an Executive Assistant.



PLAN INTRODUCTION

PLAN INTRODUCTION

The Rockdale Municipal Development District developed a new strategic economic development plan as a component part of the City's new Comprehensive Plan. This plan is created with the knowledge that Rockdale is about to experience an unprecedented growth spurt as a result of regional economic factors.

There are a number of reasons why this plan is being crafted - in spite of the fact that this planning effort is being driven by a larger planning effort.

Principally, Rockdale's prior economic planning efforts have been inadequate, and it needs a quality planning document for the community to succeed. Rockdale has one chance now to get its' planning right - economic development planning is no longer an academic exercise. Powerful regional forces are working near Rockdale and inattention in this area can have multi-generational consequences.

Regional Factors Affecting Rockdale

$17 billion, 2,600 direct job Samsung plant 25 miles away in Taylor

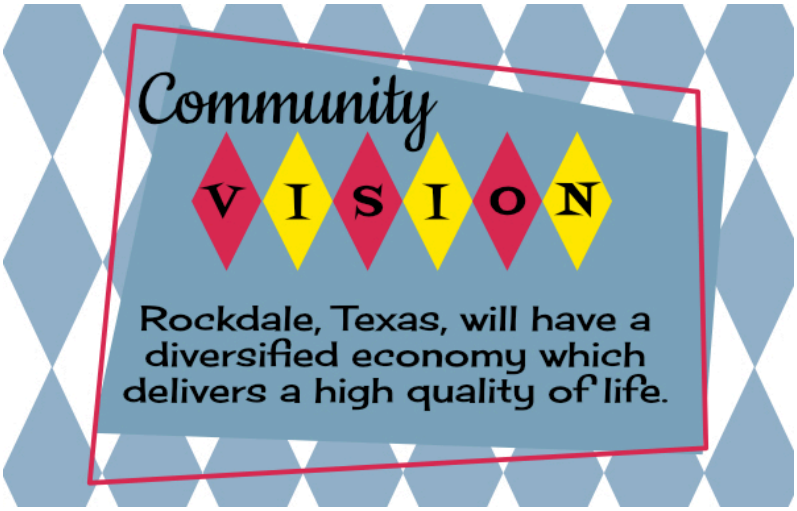
Samsung suppliers seeking nearby sites

Other spillover effects from Williamson County

New Interstate 14 coming through Milam County

Manufacturing firms onshoring from overseas

New industrial site development at Sandow Lakes Ranch



With this vision statement in mind, this plan document will be structured -

ECONOMIC ASSESSMENT - CURRENT CONDITIONS

PROBLEM IDENTIFICATION AND ANALYSIS

PLAN GOALS

PLAN ACTIVITIES

PLAN IMPLEMENTATION

PLAN MEASUREMENTS

To fully understand the rationale behind this plan, a deep analysis of the community's economic history and resulting current conditions will be explored. This analysis will then inform a hypothesis as to the root economic explanation for Rockdale's condition.

This hypothesis will then be tested against economic theory to flesh out the best approach to address the root cause.

Finally, action steps will be suggested to address the root economic cause.

ROCKDALE'S CURRENT CONDITION

ROCKDALE'S ECONOMIC HISTORY

ECONOMIC PROSPECTS

ECONOMIC ANALYSIS

ROCKDALE'S CURRENT CONDITION

The first step in this economic development strategic plan is to accurately assess Rockdale's economic position. This exercise will inform analysis on discovering the root causes and identify issues that need to be addressed to realize Rockdale's stated economic vision.

Rockdale's Economic History

Rockdale, Texas, is located in Milam County, in the Central Texas region. Rockdale is located within the Texas Triangle, a line that connects Dallas/Fort Worth, Austin/San Antonio, and Houston. Rockdale is approximately one hour from the major markets of Austin/Round Rock, Waco, and Bryan/College Station. Rockdale is situated on US Hwy 79, one of the major central east-west corridors running across Texas.

The population of Rockdale is approximately 6,000 and has changed little since the 1980's. In fact, some Census figures indicate a declining population pattern.

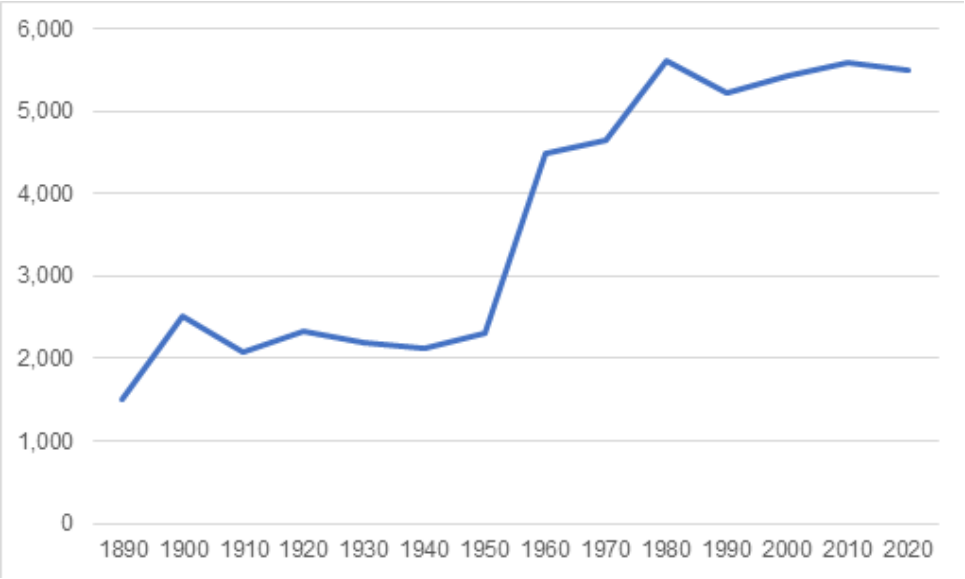
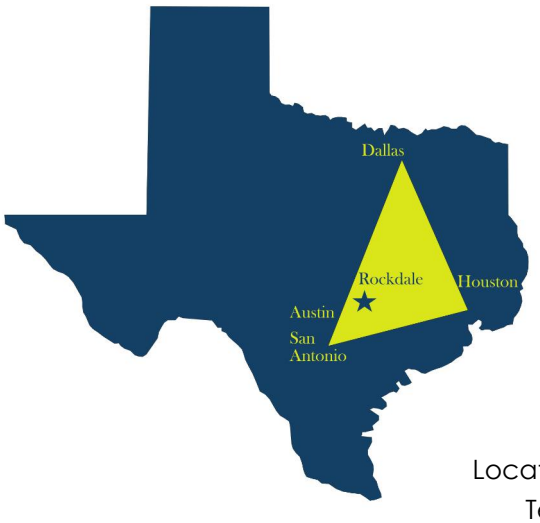


Chart 1 – Rockdale, Texas population 1890 to 2020



Location of Rockdale, relative to Texas major metro areas

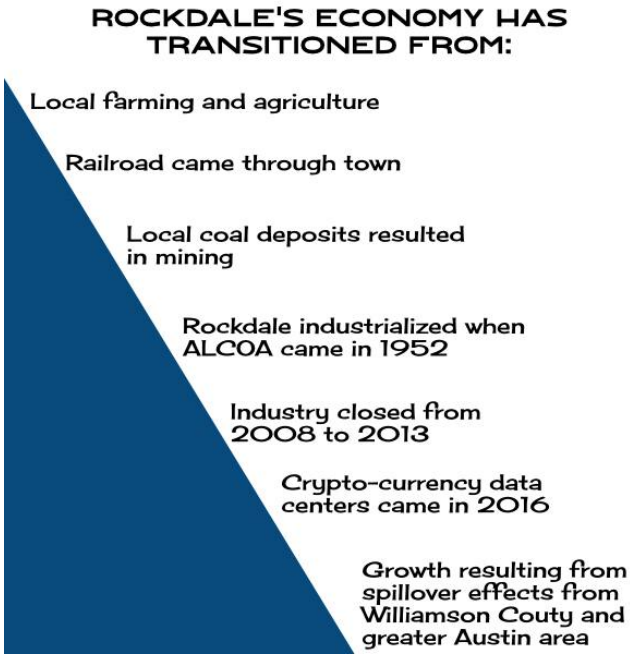
Rockdale has experienced a stagnant population since the 1980's

Rockdale's Economic History

Rockdale began as a railroad town along the east-west (what is now) Union Pacific main line. The community sprouted as a commercial center for farmers to transport their products to market.

Agriculture and lignite coal deposits were the original industry in the region, being discovered in the early 20th Century.

The Rockdale economy industrialized when ALCOA set up an aluminum smelting facility outside of town in the 1950's, primarily to achieve access to proximate coal fuel. This facility, at its peak, employed nearly 3,000 people.



Adjacent to the smelting plant, two coal-fired power plants were built and operated by Luminant. In sum, there were nearly 5,000 people employed at these facilities and Rockdale experienced an envious rural prosperity.

ALCOA reached their peak employment in the early 1980's and started a process of limiting employment growth. Further, when ALCOA began their operations, they encouraged employees to live in Rockdale. ALCOA subsidized, or directly paid for, the construction of entire neighborhoods and parks in Rockdale. Eventually ALCOA's direct investments into the community ceased and they lifted their residency requirement. The reduced demand resulted in housing construction permits peaking in the early 1980's.

In 2008, ALCOA permanently closed the smelting facility and Luminant fully closed the two power plants in 2013. All these jobs were eliminated. To further exacerbate the situation, in 2018, the local hospital facility closed, leaving the city of Rockdale without access to emergency medical care.

Rockdale can best be understood as a recovering company town

Rockdale's Economic Prospects

In 2016, the Chinese cryptocurrency miner, BitMain expressed an interest in converting the old smelting plant into a cryptocurrency mine; this operation started in earnest in 2018. In 2019, American company Whinstone (now owned by RIOT Platforms) started construction and began crypto-mining operations in 2020. Both companies have been major direct job creators for Milam County and the renovation/construction of the mining facilities has greatly stimulated the local construction sector. Between the two crypto companies, they are expected to employ 600-900 people.

In October 2021, Samsung announced that it had selected Taylor, Texas, as the site for a new $17 billion semi-conductor chip fab plant, projecting primary employment over 2,500. It is also possible that Samsung will build multiple fab plants at the Taylor site.

Shortly thereafter, an announcement was made that the 31,000 acre ALCOA property sold to an investment group.

In June 2022, the RMDD sponsored a lunch & learn with Dr. Adam Perdue, a research economist at the Texas A&M Real Estate Research Center. He said that growth from Austin is unlikely to significantly affect Rockdale. However, adjacent Williamson County becoming an employment center independent of Austin/Travis County, will have a more direct impact.

There have been numerous recent major employer announcements in the Austin area. It is expected there will be major industrial development at the former ALCOA property. Land and entitlement costs are less in Rockdale relative to other Austin metro communities. Rockdale also has abundant water resources. These have resulted in Rockdale receiving more attention from residential and commercial developers.

In December 2022, the City and RMDD closed on the sale of the 167 acre FM 487 Rockdale Industrial Park property to a development group who seek to construct Rockdale's first residential subdivision in nearly 70 years.

Rockdale as a company town?

In many ways, Rockdale exhibits many of the characteristics of a company town. Company towns can be identified as communities that have a single-often very large employer who has an outsized influence. The company either directly or indirectly provides for many of the community's needs - either through jobs, community development, or patronage. Other major employers are discouraged from locating in the community as it would introduce competition for workforce. The company often, directly or indirectly, has a level of control over community decisions. Building up the community becomes a function towards the benefit of the company instead of the community investing in itself for its own purposes.

ALCOA played that role in Rockdale through the early 2000's. A lack of civic infrastructure, a stunted sense of community efficacy, and a lack of economic diversification are some of the negative side effects of company towns.

Correcting this will involve efforts to recruit different types of industry providing multiple employment opportunities, the City making quality of place improvements, nurturing an emerging civic infrastructure, and residents moving in bringing new ideas with them.

FOLLOWING THE ALCOA AND LUMINANT CLOSURES, THE COMMUNITY SUFFERED AN ECONOMIC TRAUMA AND HAS STRUGGLED MIGHTILY TO RECOVER.

THIS SECTION WILL DESCRIBE THE EXTENT OF THAT ECONOMIC TRAUMA

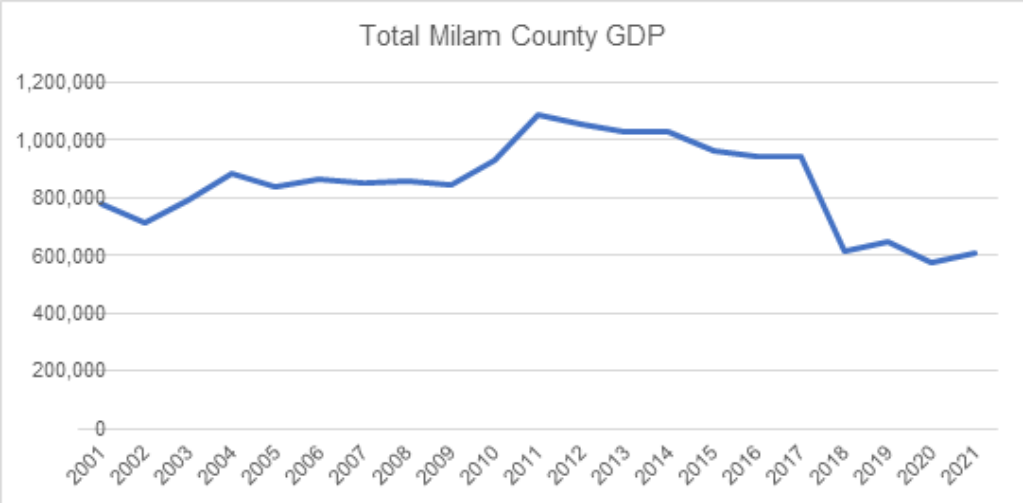
This section will document the different economic data points which will paint a picture of the Rockdale local economy. Many of these data points are expressed only at the County level.

Economic Analysis

Gross Domestic Product

The first data point to analyze is the size of the Milam County economy; the best measurement of which is Gross Domestic Product (GDP), which is the sum of all the goods produced and services consumed in an economy. A disclaimer – while GDP is an often-used measure for the sizes of national economies, exploring this data at a local level is problematic for several reasons. Chief of which is the easy portability of dollars and business activity across county lines. This data is available at the county level from the U.S. Bureau of Economic Analysis and is detailed by North American Industrial Classification System (NAICS) Codes.

Chart 1 below shows the size of Milam County's GDP by year from 2001 to 2021. One can see that Milam County's economy recovered and stabilized following the 2001-2002 recession through 2008. The size of the local economy even grew following the closure of ALCOA in 2008 and was somewhat steady for the next ten years. But then the economy went into a deep recession in 2017 and has not recovered back to pre-2017 GDP levels. It appears that a meager recovery started in 2019 but the economy again contracted in 2020 due to COVID-19. Further, Milam County's economy essentially 'bottomed-out' in 2020 and grew 5.3% in 2021.



Milam County's GDP is nearly half in 2021 from its peak in 2011

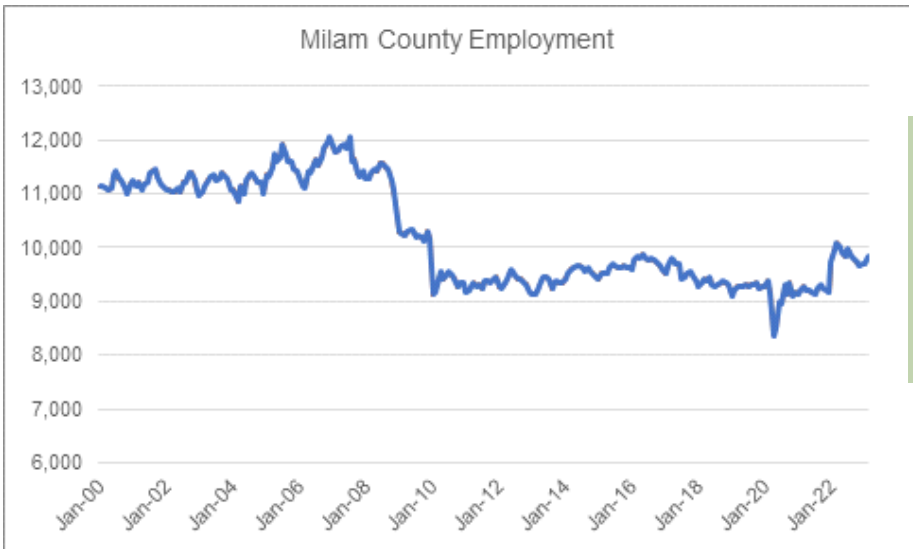
Chart 2 – Total Milam County GDP 2021 to 2021

Number of Milam County Jobs

The chart below shows the number of jobs in Milam County from January 2000 to March 2022. One can see that the number of jobs were very stable from January 2000 until early 2008. 2008 represented the time of both the Great Recession and the closing of the ALCOA facility – the result was a step down in the number of employment opportunities to a new valley. Employment was relatively stable after those two events cycled through.

The early 2020 COVID pandemic is reflected in the sharp dip to the right of the chart.

A positive development is that Milam County briefly exceeded the 10,000 job threshold, coming in 10,093 in March 2022, the largest job number since December 2009 and then quickly falling back below 10,000.



The number of jobs in Milam County stepped down to a new level following the ALCOA and Luminant closures

Chart 5 – Number of jobs in Milam County. January 2000 to February 2023

Milam County's economy was at its smallest point in 2020 and should begin an upward trajectory over the short run. For the Milam County economy to recover to its 2011 peak, the economy would need to grow by $483 million, or 44%, nearly double, the 2020 GDP figure.

Economic growth of this magnitude will help in creating jobs to match the 2007 employment peak.

MILAM COUNTY'S ECONOMIC TRAUMA IS A SUBSTANTIAL LOSS OF ECONOMIC ACTIVITY AND JOB LOSSES.

WHICH INDUSTRIES CONTRIBUTED TO THE LARGEST LOSSES?

HYPOTHESIS - THE MANUFACTURING AND UTILITY INDUSTRIES

Economic Composition

This next section of the economic assessment will focus on the composition of the economy by industry and the different insights this analysis can offer. The first will be an analysis of the economy by private sector versus public sector. Next, it will pay particular focus to the concept of traded industries, those industries that create primary jobs, export goods and services outside the community, and import money into the community. Then there will be a discussion of other industries which are performing well and those that are contributing less to the total economy.

Private/Public Sector Analysis

Essentially, the private sector industries are all industries minus "Government and Government Enterprises." At a high level, this is the place to start to see where wealth and economic growth shall occur.

Milam County's private sector was once as high as 93% of the total economy. The relative size of the private sector contracted as the economic-industrial mix changed. The public sector slightly grew, resulting in a higher proportion of contributions to GDP only because the private sector declined.

Chart 3 graphically shows this as does the corresponding Table 3.

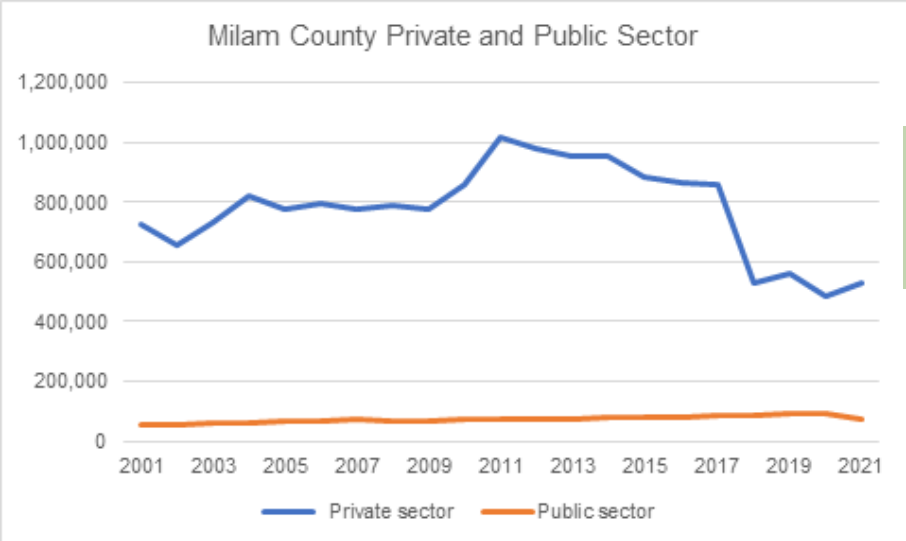


Chart 3 – Size of Milam County's Private and Public Sectors - GDP

Milam County's private, non-government, sector greatly contracted.

Year	Total GDP (thousands)	Private sector	*Percent Private Sector*	Public sector	*Percent Public Sector*
2001	779,502	725,243	*93%*	54,259	*7%*
2002	714,952	657,512	*92%*	57,440	*8%*
2003	793,136	732,075	*92%*	61,060	*8%*
2004	884,651	822,176	*93%*	62,475	*7%*
2005	840,031	774,078	*92%*	65,953	*8%*
2006	862,359	793,756	*92%*	68,603	*8%*
2007	851,218	777,471	*91%*	73,747	*9%*
2008	855,658	788,631	*92%*	67,027	*8%*
2009	846,536	776,395	*92%*	70,140	*8%*
2010	931,753	858,777	*92%*	72,976	*8%*
Milam County Peak GDP Year **2011**	**1,091,014**	**1,018,954**	***93%***	**72,060**	***7%***
2012	1,055,451	981,071	*93%*	74,380	*7%*
2013	1,026,659	950,353	*93%*	76,306	*7%*
2014	1,030,414	952,871	*92%*	77,543	*8%*
2015	965,484	886,082	*92%*	79,401	*8%*
2016	944,564	863,611	*91%*	80,953	*9%*
2017	942,920	859,310	*91%*	83,611	*9%*
2018	617,648	529,944	*86%*	87,705	*14%*
2019	650,079	559,909	*86%*	90,171	*14%*
2020	577,036	482,423	*84%*	94,614	*16%*
2021	607,642	527,981	*87%*	76,475	*13%*

Table 1 – Milam County GDP Data: Total and by Private/Public Sector

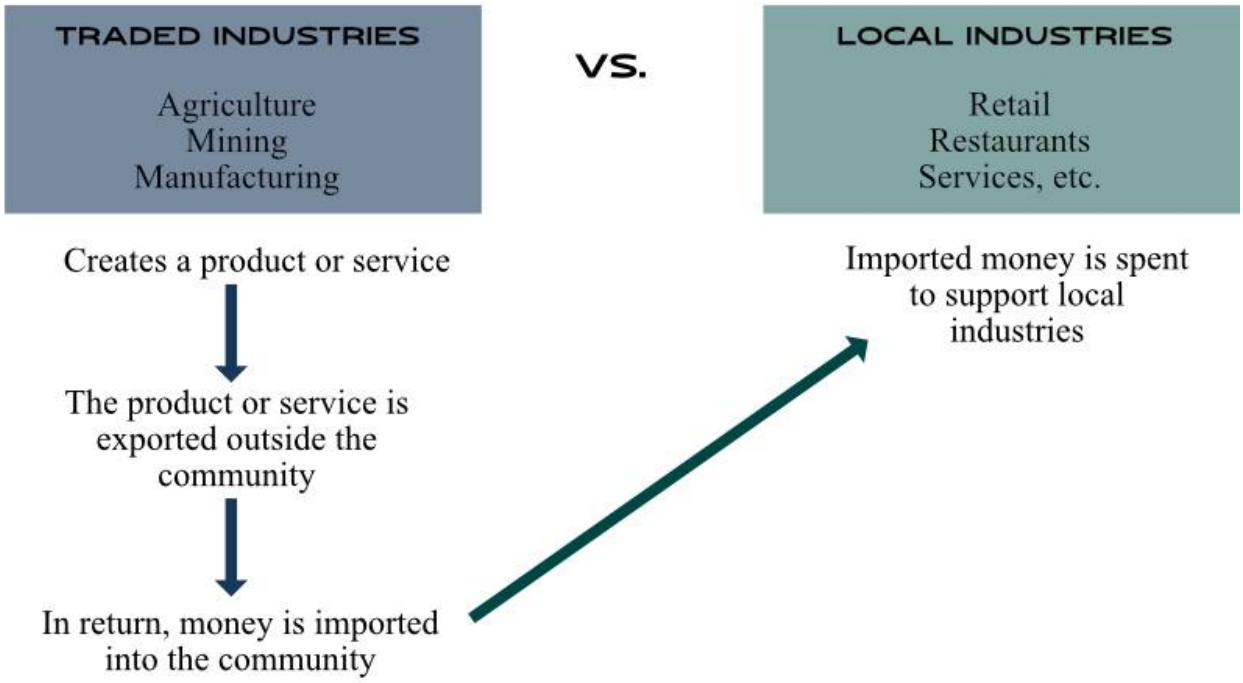
The proportion of the private sector grew slightly in 2021, up three percentage points and in terms of year over year growth, the private sector expanded by 9.4%. The public sector contracted by 19% from 2020 and declined by a corresponding three percentage points.

Milam County's private sector contracted because of industry closure and corresponding job losses

Traded Industries

Traded industries are the types of private sector businesses that create products or services sold outside of the county resulting in imported dollars. These are typically the types of industries where wealth is created.

For the purpose of this analysis, three main industrial sectors will be considered as traded industries: Agriculture, Mining and Natural Resource Extraction, and Manufacturing.



Other industries are considered local or service industries, such as retail and restaurants, which are dependent on dollars being imported into the community and rely on the circulation of local dollars.

Historically, these traded industries have contributed close to 30% of the local economy. Milam County's sustained economic growth will be dependent upon this number being as high and healthy as possible.

- Agriculture has never been a significant contributor to Milam County's GDP.

- Prior to ALCOA's 2008 closure, Manufacturing was a major contributor – approaching as high as 26% in 2007. Manufacturing is now 5-6% of the local economy.

- Mining and Natural Resource Extraction has grown the last four years, leaping to 27% of the County's economy in 2021. However, this is a highly volatile industry based on current commodity prices. Future economic growth cannot be based upon reliance on this sector.

The data describing these trends is shown in Table 2 and Chart 4.

Traded Industries -Percent of Total GDP				
Year	Agriculture	Manufacturing	Mining	Total Traded Industries
2001	0%	21%	6%	28%
2002	2%	20%	7%	29%
2003	3%	17%	7%	26%
2004	3%	23%	7%	33%
2005	2%	19%	7%	28%
2006	2%	19%	5%	26%
2007	1%	26%	6%	33%
2008	2%	24%	8%	34%
2009	3%	19%	6%	27%
2010	1%	17%	5%	23%
2011	1%	17%	5%	23%
2012	0%	13%	8%	21%
2013	0%	9%	9%	17%
2014	0%	9%	7%	16%
2015	0%	9%	3%	12%
2016	1%	6%	2%	9%
2017	1%	4%	4%	8%
2018	1%	6%	10%	17%
2019	1%	5%	18%	24%
2020	1%	5%	7%	12%
2021	2%	6%	27%	34%

Table 2 – Percentage of Traded Industries to Total Milam County GDP

Chart 4 – Total Percentage of Traded Industries to Total Milam County GDP

WHAT IS THE EXTENT OF THE LOSS OF MILAM COUNTY'S MANUFACTURING SECTOR?

Milam County Peak Manufacturing GDP Year

	Manufacturing
2001	164,468
2002	142,636
2003	134,568
2004	204,878
2005	155,722
2006	160,001
2007	**222,393**
2008	208,409
2009	161,665
2010	157,921
2011	180,536
2012	135,228
2013	92,055
2014	94,898
2015	90,590
2016	57,115
2017	35,854
2018	37,110
2019	33,733
2020	28,048
2021	38,888

Economic activity relating to manufacturing has significantly contracted.

Table 3 – Milam County Manufacturing GDP

This next section will take a deeper dive into how far Milam County's manufacturing sector has contracted. This will be done by detailing manufacturing GDP data - as shown in Table 3 above, manufacturing jobs and wages.

According to Table 3, Milam County's manufacturing GDP peaked in 2007 at $222.4 million, just prior to ALCOA's closure. This figure has been in a steady decline since. Manufacturing activity is now 82.5% less than the 2007 peak.

This loss of economic activity has also been demonstrated in job and loss wages which will be described in the following pages.

Milam County Manufacturing Jobs

Additional detailed data must be explored to accurately measure the economic loss resulting from the closure of the ALCOA facility. Examining data from the Quarterly Census of Employment and Wages from the Texas Workforce Commission, data is presented which shows employment by industry and current wages in that industry that can be adjusted for inflation (real wages). Chart 10 expresses the precipitous drop in Milam County Manufacturing employment from 2006 to 2009, which perfectly coincides with the ALCOA closure. Milam County lost 1,486 jobs between 1995 and 2022 but lost 1,588 jobs from the high in 2000.

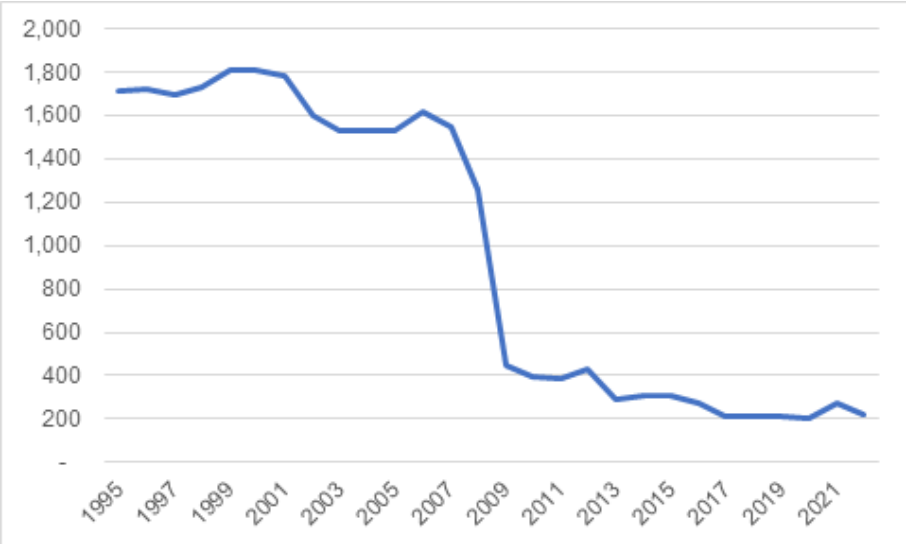


Chart 10 – Milam County Manufacturing Jobs. 1995 to 2022 Source: Quarterly Census of Employment and Wages. TexasLMI.com

Milam County has lost nearly 1,600 manufacturing jobs

Milam County Manufacturing Sector Wages

The next piece of the analysis is wages lost over this same time. Chart 11 expresses manufacturing wages both in terms of current wages (not adjusted for inflation) and real wages (adjusted for inflation).

Starting in 1995, there was some growth in wages, both current and real. Manufacturing wages rebounded in 2006 and 2007, and then also began a decline. Current manufacturing wages declined 78% and real wages dropped 88%.

Chart 11 – Milam County Manufacturing Wages. 1995 to 2022 Source: Quarterly Census of Employment and Wages. TexasLMI.com

Wages from manufacturing jobs have dropped nearly 90%

ARE THERE ANY OTHER INDUSTRIES WHICH HAVE ALSO SIGNIFICANTLY CONTRACTED?

The Utility industry, presumably activity from the Luminant power plant, is now nearly non-existent in Milam County. At its' peak, this industry contributed 38% to the total economy in 2011; it declined to 2% in 2018 and has been at 0% since 2019. This data is expressed in detail in Table 4.

	Percent Utilities to Total GDP
2001	37%
2002	31%
2003	36%
2004	31%
2005	31%
2006	33%
2007	23%
2008	19%
2009	25%
2010	34%
2011	38%
2012	38%
2013	38%
2014	39%
2015	33%
2016	37%
2017	38%
2018	2%
2019	0%
2020	0%
2021	0%

Table 4 – Percent Contribution to Total Milam County GDP – Utilities Industry

Milam County's utility industry no longer contributes to economic activity

HAVE ANY OTHER MILAM COUNTY INDUSTRIES GROWN POST-ALCOA/LUMINANT?

There are two other non-traded industries (Construction and Finance) which have made significant contributions to Milam County's GDP growth. The Construction industry has grown from 4-5% of the total economy to as high as 13% in 2020 and has been above 11% since 2018. This could be explained by the large crypto currency mine construction projects, i.e. BitDeer and RIOT.

Finance has nearly doubled, going from 9% in 2001 to 20% of the local economy in 2021.
Both industries experienced a slight contraction in 2021. However, these data clearly show that Milam County is becoming more dependent upon non-traded industries for economic support.

This data is expressed in detail in Table 3.

	Percent Construction to Total GDP	Percent Finance to Total GDP	Sum Construction & Finance to Total GDP
2001	4%	9%	13%
2002	5%	11%	16%
2003	5%	10%	15%
2004	5%	10%	15%
2005	6%	11%	17%
2006	7%	11%	18%
2007	7%	11%	18%
2008	9%	10%	19%
2009	8%	12%	20%
2010	6%	11%	17%
2011	5%	12%	17%
2012	6%	10%	16%
2013	6%	11%	17%
2014	6%	10%	16%
2015	7%	12%	19%
2016	8%	12%	20%
2017	8%	14%	22%
2018	11%	23%	34%
2019	12%	20%	32%
2020	13%	25%	38%
2021	9%	20%	29%

Table 3 - Percent Contribution to Total Milam County GDP - Construction and Finance Industries

The construction and finance sectors, which are local industries, have grown

MILAM COUNTY EMPLOYMENT AND LABOR MARKET

Another metric for analyzing the local economy is the number of jobs and local labor market characteristics.

Labor Force Size

Examining the size of the Milam County workforce – Chart 6 - (the total number of people who are either working or actively seeking work) from January 2016 to February 2023, one can see an overall decline in the number of people participating in the Milam County workforce from 2008 to 2010. This could represent people taking unemployment or retirement or relocating for employment in another county following ALCOA's closure.

The sharp drop in Spring 2020 is a result of COVID. There was a surprising uptick in early 2022 which briefly saw a Milam County workforce with a post-ALCOA/Luminant record. However, the workforce size has stabilized (within a range of 10,000 to 10,500) and is reflecting a more stable post-ALCOA workforce size.

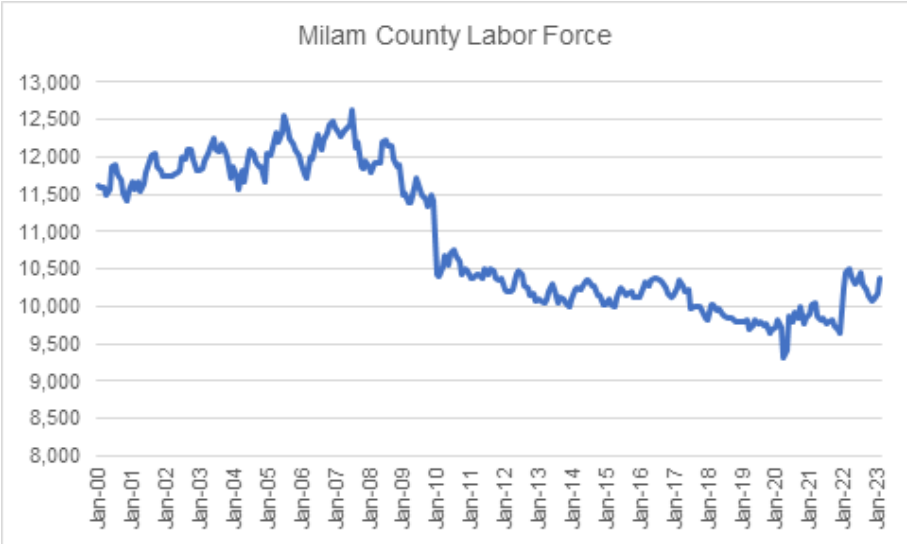


Chart 6 – Size of Milam County Workforce. January 2000 to February 2023

Further, Chart 7 shows the number of unemployed Milam County residents from January 2000 to February 2023. The spike in the middle of the chart reflects an unemployment surge following the ALCOA closure.

The second spike further to the right reflects a smaller unemployment surge following COVID shutdown protocols. The number of unemployed Milam County residents is still at historic lows.

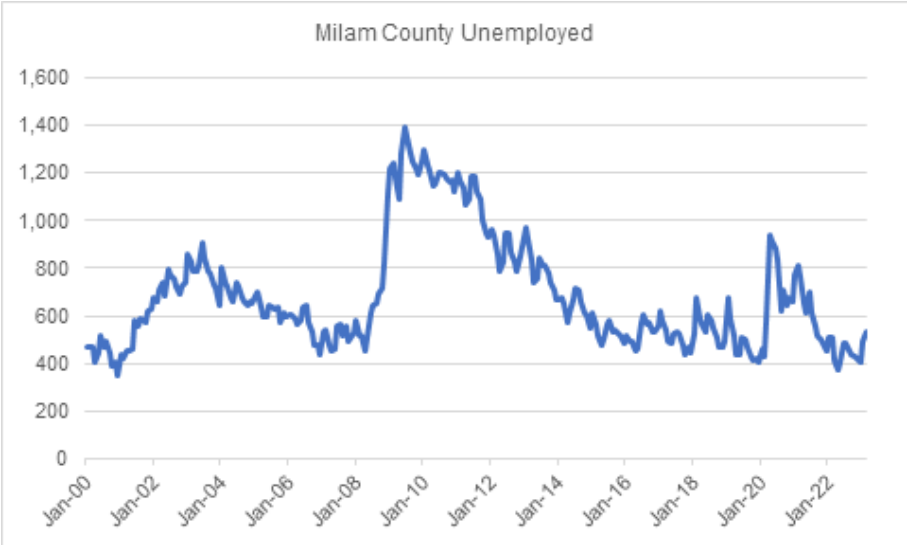


Chart 7 – Number of Unemployed Milam County Residents – January 2000 to February 2023

Moving beyond economic adjustments and looking forward, the data show that Milam County's workforce is starting to get re-engaged in a post-COVID economy.

This will be important for this economic development plan moving forward.

Workforce Participation Rate

The labor force participation rate is a measurement of the percentage of the population over 16 years old (Senior citizens, retirees, students, disabled individuals, etc. typically do not participate in the workforce) who are active in the workforce, meaning they are either employed or actively seeking work. This data is available from January 2020 to February 2023 and shows a significant reduction in people participating in the workforce at the onset of COVID. The participation rate climbed and is now averaging over 50%.

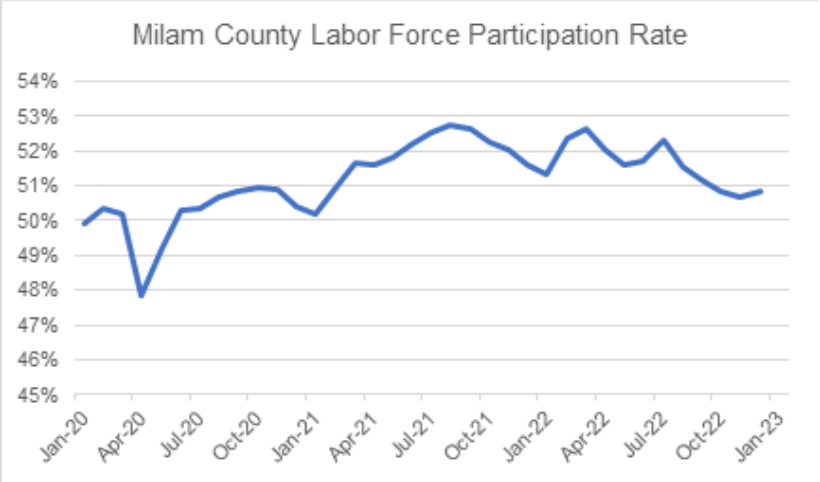


Chart 8 – Milam County Labor Force Participation Rate

Unemployment

Finally, the Milam County unemployment rate experienced recent historic lows, reaching 3.6 unemployment in April 2022. Economists consider unemployment rates of less than 5% to be full employment. After hitting that low, unemployment has risen slightly; the February 2023 unemployment rate being 5.2%.

However, the unemployment rate will slightly increase as more people return to the workforce and seek work. This is verified by examining the size of the labor force and a higher labor force participation rate.

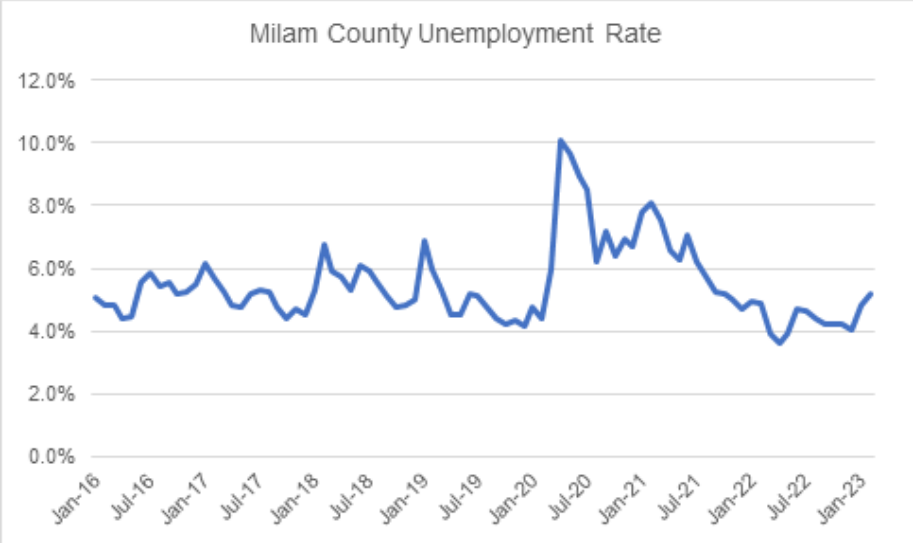


Chart 9 - Milam County Unemployment Rates. January 2016 to March 2022

PROBLEM ANALYSIS

PROBLEM HYPOTHESIS

RISK ASSESSMENT

MARKET FAILURE ANALYSIS

PLAN GOAL

HYPOTHESIS - ROCKDALE PRESENTS TOO MUCH RISK TO ATTRACT INVESTMENT

What is Investment Risk?

As applied to this situation,investment risk refers to the potential for an investment to lose value or not achieve its expected returns. It is the uncertainty or variability of the outcomes associated with an investment.

There are several types of investment risk which can effect investment into a community.

Operational risk - The overall risk that a business will not be functionally able to operate. Some examples include utility availability and supply, community location, etc.

Political and regulatory risk - This is the risk that changes in political or regulatory factors can impact the value or performance of an investment. This could be in the form of the public not supporting a particular project or the risk involved with receiving City Council approval for certain items.

Real estate risk - This is the risk that a particular real estate product will not be able to adequately deliver expected results. This could be in the form of undocumented land.

Time risk - This refers to the amount of time it would take for a community to adequately prepare to welcome a new industry or investment. This could be in the form of providing adequate infrastructure capacity or the time it takes for the local government to properly entitle land (zoning approvals, permitting, etc.)

Workforce risk - This refers to the available workforce in a community and whether or not there are sufficiently trained individuals in sufficient quantities in the community able to be employed by a new industry.

Perception/Reputation risk - This refers to how others' perceptions can be affected by outside decisions.

Financial risk - This refers to the cost of doing business in one community as opposed to another. This could include but not be limited to: utility cost, transportation cost, etc.

Rockdale did not have the adequate resources, post ALCOA/Luminant to address its particular risk profile:

- No viable industrial park - real estate risk not addressed
- Deteriorated community appearance - perception/reputation risk not addressed
- Inadequate City water/wastewater utility system - real estate and time risk not addressed
- Lack of skilled workforce-poor demographics - workforce risk not addressed

The Strengths, Weaknesses,Opportunities, and Threats assessment described on the next page is meant to be a starting point to assess Rockdale's risk profile.

ROCKDALE'S RISK ASSESSMENT

Strength - Weakness - Opportunity - Threat Assessment

In March, 2023, Dean Barber, an economic development/corporate site selection consultant, visited Rockdale and provided an abbreviated SWOT assessment. These comments relate to Rockdale at a community level. Additional comments are specific to the new industrial park.

Internal-focus

Strengths

Location relative to Austin and College Station

Proximity to new Samsung plant

Proximity to international airport

Proximity to port facilities

Weaknesses

Community appearance

Substandard housing

Enforcement of blight ordinances

Lack of beautification efforts

Lack of local vocational training facilities

Elevated poverty rate

Stagnant population growth

External-focus

Opportunities

Spillover effects from Samsung plant

New residential subdivision

Old hospital conversion to training/education center

New industrial park

Threats

Rockdale could be left behind if it does not invest in

- Education and job training
- Infrastructure
- Downtown appearance

RELATIONSHIP OF RISK AND OPPORTUNITY COST

Applying the Theory of Competitive or Comparative Advantage, capital or investment will flow from areas of high cost to areas of low cost, creating an equilibrium. This will partially explain why Rockdale has not been an investment location.

Why Does Capital Avoid Risk?

Capital, or the financial resources a company has at its disposal, often avoids risk because it is seen as a valuable asset that needs to be protected. Capital represents the money that a company has available to invest in its operations, make acquisitions, and pursue other growth opportunities.

Risk-taking can potentially lead to financial losses or a decrease in the value of the company's assets, which could negatively impact its ability to pursue future opportunities or meet its financial obligations. As a result, many companies are hesitant to take on unnecessary risks that could put their capital in jeopardy.

ChatGPT - accessed 4-16-2023

What Are Opportunity Costs?

Opportunity cost refers to the value of the best alternative forgone when making a decision. It is the cost of choosing one option over another, taking into account the benefits that could have been obtained from the alternative option that was not chosen.

ChatGPT - accessed 4-16-2023

Problem Summary

Rockdale presents a very high risk profile, as evidenced in the economic and risk assessment.

Elevated risk increases the cost of doing business in Rockdale.

The Opportunity Costs of investing in Rockdale are too high relative to other communities.

Therefore, there is sufficient evidence to conclude that Rockdale's chief problem or barrier to economic development is:

Investment risk/capital avoidance in Rockdale is too high. The opportunity costs of choosing Rockdale over a community that presents less risk is too great. The end result is a market failure.

Market Failure Analysis

Ultimately, the plan seeks to address this market failure problem and identify strategies to correct it.

The first phase of the analysis is to work through an analytical tool called The Four Why's. This exercise was conducted by the Rockdale MDD Board of Directors in April 2023.

Why does this problem matter?

Others will be prudent in their investments

Rockdale will never realize its vision if investment risk is not addressed

Why does this problem exist?

Complacency by community leaders when ALCOA was in Rockdale.

General inaction by prior City leadership.

Company town mindset

Why hasn't this problem been solved before?

Lack of funds

Failure to adequately plan

City leadership was risk averse

Leadership felt that ALCOA would always be here to support the community - they saw no need to do other economic development

Why should we address this problem now?

Rockdale is not on a sustainable path

Rockdale's problems will continue to get worse

Rockdale has some unique opportunities on the horizon

MARKET FAILURES AND CORRECTIONS

A Market Failure is an economic situation defined by an inefficient distribution of goods and services in the free market. In a market failure condition, the individual incentives for rational behavior do not lead to rational outcomes for the group.

From Investopedia

Corrective actions can be taken to address the market failure's causes.

If this root causes of a market failure are not addressed, then all activities identified in the plan - even if well executed - will be ineffectual.

Government, or the public sector can be the appropriate actor to initiate any corrective actions.

Government intervention in an economy is justified by attempting to correct a market failure through public policy.

Why Does Private Investment Follow Public Investment?

Private investment often follows public investment because public investment can help create an environment that is conducive to private investment. When governments invest in infrastructure, education, and other public goods, it can create a foundation for businesses to thrive.

Public investment can also signal to private investors that the government is committed to supporting the growth of the economy. This can lead to increased confidence among private investors, who may be more likely to invest their own capital in the same areas as the government.

Overall, public investment can create a favorable environment for private investment by addressing market failures, reducing risks, and signaling government commitment to supporting economic growth. This can lead to a virtuous cycle of investment and growth.

ChatGPT - accessed 4-16-2023

Root Problem to be Addressed - Market Failure

Too much investment risk in Rockdale, Texas.

- Real estate risk
- Market risk
- Workforce risk

Economic Symptoms

Investment/investors do not choose Rockdale as an place to deploy capital

- Industrial
- Commercial/Retail
- Residential

The City has severely limited financial resources

Rockdale's demographics are sub-standard

A plan, such as an economic development strategic plan, starts by asking the question "What is the problem we are trying to solve?"

Within this context, there is an economic market failure which has occurred and the root cause of this failure needs to be identified and addressed.

ECONOMIC DEVELOPMENT STRATEGIC PLAN GOAL

The goal of this plan is for a significant deployment of public resources and leadership to reduce investment risk and ameliorate Rockdale's market failure so that capital investment will flow into Rockdale.

PLAN ACTION

Plan Action Elements

THIS PLAN IDENTIFIES SEVEN ACTION AREAS TO ACHIEVE THE PLAN GOAL OF REDUCING INVESTMENT RISK IN ROCKDALE.

- Community Leadership and Organizational Development
- Quality of Place/Life - Rockdale as an Investment Location
- Attracting New Industry
- Workforce Development
- Housing Development
- Entrepreneur Ecosystem
- Retail Expansion

This plan desires to create an operational structure for an economic development program that works for all Rockdale residents - present and future.

WHY IS _____ IN THE PLAN?

Community Leadership and Organizational Development

So that Rockdale residents are aware of the RMDD's activities and the community has buy-in into the process. To increase the sense of community efficacy, or the feeling that the community controls its destiny.

Quality of Place/Life - Rockdale as an Investment Location

So that Rockdale begins to make improvements in its physical infrastructure and fiscal conditions so it becomes a desirable place for capital deployment, both by businesses and residents. To also provide tangible benefits for Rockdale residents.

Attracting New Industry

So that new job opportunities are created for Rockdale residents; the City realizes increased tax revenues.

Workforce Development

So that Rockdale residents can receive training to get a better job or be more productive at their current job. Industries are also attracted to workforce talent pipelines.

Housing Development

So that housing can be affordable/attainable for new residents. Alternatively, pre-existing housing stock can be enhanced creating additional housing opportunities.

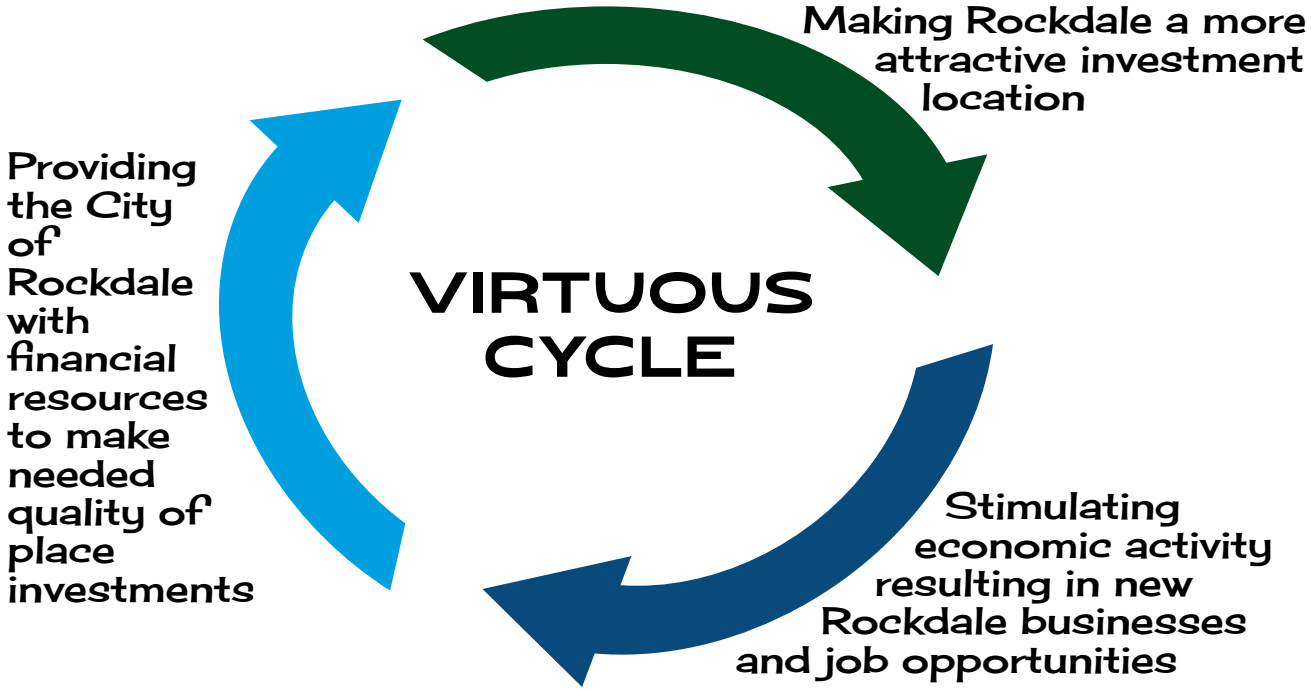
Entrepreneur Ecosystem

So that Rockdale residents (present and future) can realize the freedom and wealth creation which comes from owning and operating their own business.

Retail Expansion

So that Rockdale residents have the ability to shop local and increase the local multiplier effect.

WORK PERFORMED IN EACH OF THESE AREAS SHOULD REDUCE INVESTMENT RISK, THEREBY:



A Virtuous Cycle or Circle is a beneficial cycle of events, each having a positive effect on the next.

Investment risk reduction should ameliorate Rockdale's market failure resulting in capital flowing into Rockdale.

Community Leadership and Organizational Development

Goal Statement

The Rockdale MDD will build consensus in the community around its vision and mission, its capacity to achieve the community's vision, and exhibit competence to the public.

Risk Reduction Outcomes

Reduce political risk
Reduce perception/reputation risk

Objectives

1. Achieve strategic alignment with other planning documents and efforts.

2. Maintain a quality governance structure

3. Demonstrate professionalism

4. Internally market to the community to create a high sense of community efficacy

Activities

1.1 Update the RMDD's organizational mission statement and other internal documents

1.2 Evaluate the RMDD's role to reflect additional work areas identified in the Comprehensive Plan, e.g., Downtown/Main Street, Tourism, Arts & Culture, etc.

2.1 Successfully produce:
- a. Annual budget
- b. Annual clean audit
- c. Reporting requirements

3.1 Maintain staff professional development and credentials

3.2 Apply for and receive the Accredited Economic Development Organization (AEDO) from the International Economic Development Council.

3.3 Apply for and receive other economic development organizational awards

Community Leadership and Organizational Development

Activities

4.1 Consistently produce content and publish it in local media and on social media.

4.2 Continue to produce the community lunch & learn events to inform the community on economic development issues and for board training purposes

4.3 Continue the Leadership Rockdale program to train future community leaders on economic development issues.

Key Performance Indicators

- AEDO certification
- Other economic development awards
- Staff certifications
- Annual budgets
- Annual clean audits
- Leadership class participants
- Community survey results

Why is Community Efficacy Important?

Research suggests that communities with a high sense of efficacy, which refers to the belief they have the ability to collectively achieve their goals, tend to exhibit positive economic performance.

Entrepreneurship and Economic Growth - Communities with a high sense of efficacy often exhibit higher levels of entrepreneurship. Research has show that when individuals in a community believe they have the ability to create change and influence their economic environment, they are more likely to take risks, start new businesses, and engage in innovation, leading to increased economic activity and growth.

Community Development - High efficacy communities tend to engage in more community development initiatives, such as organizing local economic development programs, creating partnerships with businesses and government, and implementing strategies to attract investment and job opportunities.

Social Capital - High efficacy communities tend to have higher levels of social capital, which refers to social networks, trust, and cooperation among community members. Social capital can be a valuable resource for economic performance as it can facilitate information sharing, collaboration, and resource mobilization. Individuals are more likely to trust and work with each other.

Human Capital and Education - Communities with a high sense of efficacy often place a strong emphasis on education and human capital development. It is considered a key factor in economic performance as it contributes to a more productive and competitive workforce.

Chat GPT accessed on April 23, 2023

Quality of Place/Life – Rockdale as an Investment Location

Goal Statement

Rockdale will become an aesthetically pleasing community which will offer desirable community amenities with a reasonable tax rate

Risk Reduction Outcomes

Reduce perception/reputation risk
Reduce financial risk
Reduce real estate risk

Objectives

1. Improve Rockdale's physical appearance in Downtown and major corridors.

2. Take measures to improve Rockdale's business operating environment.

3. Create a reputation as being a developer-friendly community

4. Improve the quality of Rockdale's utility infrastructure

5. Improve Rockdale's physical infrastructure and amenities for residents

6. Make Rockdale a financially community of choice for residents

7. Begin an arts/cultural program to package the community's cultural capital

8. Be a welcoming community for new residents

Activities

1.1 Create planning overlay district for the East Cameron Avenue corridor

1.2 Create a Tax Increment Reinvestment Zone (TIRZ) for Downtown and East Cameron Avenue corridor.

1.3 Make selected improvements using revenue from the TIRZ, e.g., landscaping, banners, lighting, public art/ murals, etc.

1.4 Implement target building demolitions along the East Cameron Avenue corridor

Quality of Place/Life - Rockdale as an Investment Location

Activities

1.5 Enhance code enforcement activities along identified city corridors

1.6 Update and strengthen the City's vacant commercial structure ordinance

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2.1 Take steps to provide property tax rate relief, i.e., achieve a tax rate goal of $0.64

2.2 Take steps to provide a competitive commercial/ industrial utility rate structure

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3.1 Improve communication tools from the City to the development community

3.2 Implement processes to speed along permitting approvals, plan reviews, and inspections.

4.1 Complete the Texas Water Development Board (TWDB) line replacement project.

4.2 Complete the planned City drainage improvement project

4.3 Ensure that Rockdale has sufficient water resources to accommodate future growth, i.e. evaluate new water wells or other water resources

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5.1 Enhance existing Rockdale park maintenance

5.2 Take measures to implement the Parks Master Plan

5.3 Begin a residential street reconstruction program

Quality of Place/Life - Rockdale as an Investment Location

6.1 Work to provide a residential property homestead exemption for appraisal value relieve - Target 20%

6.2 Shift water utility rate structure to industrial users and provide rate relief.

7.1 Evaluate and explore implementation of Rockdale Reborn Plan

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8.1 Implement programs meant to welcome new residents and incorporate them into Rockdale

Key Performance Indicators

- Business satisfaction survey
- Community satisfaction survey
- # structures demolished on Cameron Avenue
- # code enforcement cases in the TIRZ district
- # vacant buildings in Downtown and TIRZ district
- TIRZ values
- Revenue (Sales tax and property tax) generated Downtown
- Percent Downtown property values to total City net taxable value
- Property tax rate
- Homestead exemption rate
- Linear feet/Dollars spent - street reconstruction

Community efficacy can be built by: Creating a clear vision and set of community goals, implementing placemaking improvements, fostering a sense of belonging among community members, improving community communication, promoting shared community ownership (volunteerism, community service, etc.), celebrating successes, creating opportunities for personal growth and skill building.

Attracting New Industry

Goal Statement

Rockdale will take advantage of its strategic location and current industrial trends to attract other industry to the community

Risk Reduction Outcomes

Reduce real estate risk
Reduce financial risk
Time risk
Reduce perception/reputation risk

Objectives

1. Create viable industrial real estate product for industrial absorption - the Rockdale Enterprise District.

2. Effectively market Rockdale's assets as an attractive industrial location

3. Ensure Rockdale's industrial market competitiveness on parity with peer communities

Activities

1.1 Complete the Rockdale Enterprise District site documentation project

1.2. Have the site certified by a site selection consultant

1.3 Complete engineering final design of utility extensions

1.4 Install the highway and railroad bores

1.5 Coordinate efforts with the landowner on site preparation work

1.6 Execute a memorandum of understanding (MOU) with the developer, City, and MDD on each party's development responsibility and any reimbursement arrangements

1.7 Upon the first viable tenant - construct infrastructure extensions to the site

Attracting New Industry

Activities

2.1 Complete a target industry analysis and identify candidate companies to market to via assorted methods

2.2 Complete the branding study and identify key messaging concepts for candidate companies

2.3 Formalize a marketing plan to identify methods of communicating to candidate companies.

3.1 Review incentive policies: City, County, MDD, RISD, etc.

3.2 Designate the Rockdale Enterprise District as an Industrial District by the City of Rockdale

3.3 Designate the Rockdale Enterprise District as a reinvestment zone so that projects may be eligible for property tax incentive agreements

3.4 Communicate and educate other elected boards on economic development and their role in the process

Key Performance Indicators

- # Acres certified
- #.Firms and employees in the Rockdale Enterprise District
- Net taxable value in the Rockdale Enterprise District
- Pilot payments to the City

Attached Plans

- Target Industry Analysis
- Rockdale Enterprise District Marketing Plan
- Branding study - when complete

Workforce Development

Goal Statement

Rockdale will partner with key stakeholders and partners to take steps to invest in human capital so that new industry locating to the area can rely on a documented talent pipeline

Risk Reduction Outcomes

Reduce workforce risk
Reduce financial and operational risk
Time risk
Reduce perception/reputation risk

Objectives

1. Partner with RISD and Temple College to facilitate new college satellite campus in Rockdale

2. Identify local workforce skills needs and work to fill those gaps

3. Engage in workforce/industry outreach activities

Activities

1.1 Help RISD and Temple College secure EDA and other grant funding

1.2 Participate in efforts to get a school maintenance tax election passed in the RISD boundaries

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2.1 Conduct regular local industry visits to gather data

2.2 Communicate those needs back to RISD, Temple College, Workforce Solutions, and the MDD

2.3 Assist with firms' applications to the TWC Skills Development Fund grant to meet training needs

2.4 Review the incentive policy and make adjustment for a locally-funded training assistance program.

Workforce Development

Activities

3.1 Coordinate annual industry tours for RHS students

3.2 Coordinate separate annual industry tours for RISD personnel so they are familiar with industry needs

3.3 Participate in RISD's Career and Technical Education committee

3.4 Celebrate 'signing days' for those students choosing to work at local industry upon graduation

3.5 Start a quarterly industrial round table discussion forum

3.6 Start an annual economic summit for local industry to understand the greater regional and global economic context and how Rockdale fits into that

3.7 Try to facilitate some form of apprenticeship program with local industry and RHS CTE students

Key Performance Indicators

- Enrollment in RISD's new College and Career Center
- Number of industry visits
- Participation in industry round table events

A community college branch campus maintenance tax is authorized under Chapter 130.253 of the Texas Education Code. The governing body of a school district located outside the community college taxing district may levy a branch campus maintenance tax, which may not exceed $0.05 per $100 valuation.

Funds levied from this tax could support a small debt issue to provide cash to make improvements to the proposed Rockdale College and Career Center.

Housing Development

Goal Statement

Building upon improvements in Rockdale's quality of place, Rockdale will be able to deliver quality housing for all price points

Risk Reduction Outcomes

Reduce financial risk
Reduce perception/reputation risk

Objectives

1. Position Rockdale as a community of choice in the Central Texas region by leveraging recent quality of place investments for those working in Rockdale or in a commutable distance [stimulate buyer demand]

2. Create a pipeline of housing development projects into the Rockdale market [help create supply]

Activities

1.1 Use the new branding study and marketing resources to communicate to target residential audiences

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2.1 Identify key areas in the future land use map as candidate areas for major residential development

2.2 Evaluate utility capacity in these areas

2.3 Coordinate key infrastructure sizing relative to these areas with the City's CIP

2.4 Outreach to residential/master planned community developers

Key Performance Indicators

- Number of planned houses
- Average home value
- Annual housing construction permits issued

Entrepreneur Ecosystem

Goal Statement

Rockdale will be known as a community that is supportive of entrepreneurs

Risk Reduction Outcomes

Reduce financial risk
Reduce perception/reputation risk

Objectives

1. Create a vibrant entrepreneur ecosystem in Rockdale

Activities

1.1 Map and identify entrepreneur resources in Rockdale

1.2 Create networking opportunities for entrepreneurs

1.3 Market Rockdale as a community for entrepreneurs across multiple industries

1.4 Create a more detailed entrepreneur ecosystem plan

1.5 Seek out ways to certify Rockdale as an entrepreneur-friendly community

Key Performance Indicators

- Participants in entrepreneur events
- Community and business survey
- New businesses started in Rockdale

Retail Expansion

Goal Statement

Rockdale will grow into a retail and commercial hub for the Greater Milam County area and capture retail leakage, ensuring imported dollars circulate multiple times in the community before flowing out.

Risk Reduction Outcomes

Reduce financial risk
Reduce real estate risk
Reduce perception/reputation risk

Objectives

1. Create retail/commercial development concepts

2. Market these concepts to candidate companies

Activities

1.1 Identify areas on the future land use map which would be good candidate sites for commercial/retail development

---

2.1 Identify key commercial developers doing projects in the region and consistently communicate Rockdale's message to them

2.2 Continue to update the retail market report

2.3 Identify target anchor retail and market to them; e.g., grocery stores, hardware/home improvement stores, department stores, etc.

2.4 Continue outreach efforts to small regional entrepreneurs

Key Performance Indicators

- Total City sales tax
- Sales tax from retail (400's NAICS code)

PLAN IMPLEMENTATION

Rockdale Municipal Development District
Strategic Plan
Implementation

	Activities	Responsible Party (X)			Particpant Party (Y)			Timeframe	
		RMDD	City of Rockdale	Milam County	RISD	Chamber of Commerce	Estimated Cost	Initiation	Completion
Community Leadership									
1.1	Evaluate the RMDD's role to reflect additional work areas identified in the Comprehensive Plan	X	Y	-	-	-	$0	3Q 2024	4Q 2024
1.2	Update the RMDD's organizational mission statement and other internal documents	X	Y	-	-	Y	$0	4Q 2024	1Q 2025
3.2	Apply for an receive the Accredited Economic Development Organization from IEDC	X	Y	Y	Y	Y	TBD	1Q 2025	3Q 2025
3.1	Maintain staff professional development and credentials	X	-	-	-	-	$4,500	ongoing	ongoing
2.1	Successfully produce: Annual budgets, annual clean audits, reporting requirements	X	Y	-	-	-	$0	ongoing	ongoing
3.3	Apply for and receive other economic development awards - TEDC, IEDC	X	-	-	-	-	$300	ongoing	ongoing
4.1	Consistently produce content and publish it on local and social media	X	-	-	-	-	$1,500	ongoing	ongoing
4.2	Continue to produce the community lunch & learns for community and board education	X	Y	-	-	Y	$2,000	ongoing	ongoing
4.3	Continue the Leadership Rockdale program to identify and train future community leaders	X	Y	-	-	Y	$0	ongoing	ongoing
Quality of Place/Life									
2.1	Take steps to provide property tax rate relief, i.e., get to a tax rate goal of $0.64	-	X	-	-	-	variable	3Q 2023	ongoing
1.2	Create a Tax Increment Reinvestment Zone for Downtown and the East Cameron Ave Corridor	-	X	-	-	-	$0	3Q 2023	4Q 2023
4.1	Complete the Texas Water Development Board line replacement project	-	X	-	-	-	27.2 million	3Q 2023	3Q 2026
4.2	Complete the planned City drainage improvements project - ARPA funds	-	X	-	-	-	TBD	4Q 2023	3Q 2026
1.5	Enhance code enforcement activities along identified City corridors	-	X	-	-	-	$0	1Q 2024	ongoing
5.1	Enhance existing City of Rockdale park maintenance	-	X	-	-	-	TBD	2Q 2024	ongoing
1.6	Update and strengthen the City's vacant commercial structure ordinance	-	X	-	-	-	$0	2Q 2024	4Q 2024
3.1	Improve communication tools from the City to the development community	-	X	-	-	-	$0	2Q 2024	ongoing
3.2	Implement processes to speed along permitting approvals, plan reviews, and inspections	-	X	-	-	-	TBD	2Q 2024	ongoing

		Responsible Party (X)			Particpant Party (Y)			Timeframe	
Quality of Place/Life, Cont.		RMDD	City of Rockdale	Milam County	RISD	Chamber of Commerce	Estimated Cost	Initiation	Completion
1.3	Make selected improvements using revenue from the TIRZ	-	X	-	-	-	TBD	3Q 2024	ongoing
1.4	Implement targeted building demolitions along the East Cameron Avenue corridor	-	X	-	-	-	TBD	3Q 2024	ongoing
4.3	Ensure Rockdale has sufficient water resources to accommodate future growth	-	X	-	-	-	TBD	3Q 2024	ongoing
2.2	Take steps to provide a competitive commercial/ industrial utility rate structure	-	X	-	-	-	variable	3Q 2024	ongoing
1.1	Create a planning overlay district for Downtown and East Cameron Avenue corridor	-	X	-	-	-	$0*	3Q 2025	1Q 2026
6.2	Shift water utility rate structure to reliance on industrial users - away from residential users	-	X	-	-	-	TBD	4Q 2025	ongoing
5.2	Take measures to implement the Rockdale Parks Master Plan	-	X	-	-	-	TBD	TBD	
5.3	Begin a regular street reconstruction program	-	X	-	-	-	TBD	TBD	
6.1	Work towards providing a residential property homestead exemption of 20%	-	X	-	-	-	TBD	TBD	
7.1	Evaluate and explore implementation of the Rockdale Reborn Plan	Y	X	-	-	Y			

Attracting New Industry									
1.1	Complete the Rockdale Enterprise District site documentation plan	X	-	-	-	-	$159,000	4Q 2022	3Q 2023
1.6	Execute an MOU with the City, MDD, and property owner clarifying development responsibilities	X	Y	-	-	-	$0		3Q 2023
3.2	Designate the Rockdale Enterprise District as an Industrial District by the City Council	X	X	-	-	-	$0	3Q 2023	4Q 2023
1.5	Coordinate efforts with the landowner on site preparation work	X	-	-	-	-	$0		4Q 2023
1.2	Have the Rockdale Enterprise District certified by a site selection consultant	X	-	-	-	-	$20,000	3Q 2023	1Q 2024
1.3	Complete engineering final design of utility extensions	X	-	-	-	-	$600,000	4Q 2023	1Q 2024
3.1	Review incentive policies: RMDD, City of Rockdale, Milam County, RISD, etc.	X	Y	Y	Y	-	$0	4Q 2023	4Q 2024
3.3	Designate the Rockdale Enterprise District as a Reinvestment Zone by Milam County	X	-	Y	-	-	$0	4Q 2023	1Q 2024

		Responsible Party (X)			Particpant Party (Y)			Timeframe	
Attracting New Industry, Cont.		RMDD	City of Rockdale	Milam County	RISD	Chamber of Commerce	Estimated Cost	Initiation	Completion
2.1	Complete a target industry analysis and identify candidate companies to market to	X	-	-	-	-	$0	4Q 2023	2Q 2024
2.2	Complete the branding study and identify key messaging concepts for candidate companies	X	Y	Y	Y	Y	$50,000	1Q 2024	2Q 2024
2.3	Formalize a marketing plan to identify methods of communicating to candidate companies	X	Y	Y	Y	Y	$45,000	2Q 2024	3Q 2024
1.4	Install the highway and railroad bore casings to facilitate utility line construction	X	-	-	-	-	$500,000	2Q 2024	3Q 2024
3.4	Communicate and educate other elected boards on economic development and their role in the process	X	Y	Y	Y	Y	$0	ongoing	ongoing
1.7	Construct infrastructure to the site - upon the first viable tenant/industrial park user	X	-	-	-	-	$4.4 million	TBD	

Workforce Development

2.1	Conduct regular industry visits to gather data	X	-	-	-	-	$0	4Q 2023	ongoing
2.2	Communicate those needs back to RISD, Temple College, Workforce Solutions, and the MDD	X	Y	Y	Y	Y	$0	4Q 2023	ongoing
1.1	Help RISD and Temple College secure EDA funding for College and Career Center construction	Y	Y	Y	X	Y	$0	4Q 2023	
3.2	Coordinate separate industry tours for RISD personnel so they are familiar with local industry	Y	-	-	X	Y	$0	2Q 2024	
3.4	Celebrate 'Signing Days' for students choosing to work at local industry upon graduation	Y	-	-	X	Y	$0	2Q 2024	ongoing
3.5	Start a quarterly industrial roundtable discussion forum	X	-	-	Y	Y	$1,000	3Q 2024	ongoing
2.4	Review the incentive policy and make adjustments to include a locally-funded training assistance grant	X	-	-	-	-	$0	4Q 2024	
3.1	Coordinate annual industry tours for RHS students	Y	-	-	X	Y	$0	4Q 2024	
3.6	Start an annual economic summit for local industry to understand greater economic context	X	-	-	-	Y	$1,000	4Q 2024	ongoing
1.2	Participate in efforts to get a school maintenance tax passed by RISD voters	Y	-	Y	X	Y	$0		4Q 2025

		Responsible Party (X)			Particpant Party (Y)			Timeframe	
Workforce Development, Cont.		RMDD	City of Rockdale	Milam County	RISD	Chamber of Commerce	Estimated Cost	Initiation	Completion
2.3	Assist with firms' applications to the TWC Skills Development Fund grant to meet needs	Y	Y	Y	Y	Y	$0	ongoing	ongoing
3.3	Participate in RISD's Career and Technical Education committee	X	-	-	X	-	$0	ongoing	ongoing
3.7	Facilitate a form of an apprenticeship program with RHS CTE students	X	-	-	Y	Y	TBD	TBD	
Housing									
2.1	Identify key areas in the future land use map as candidate areas for residential development	X	X	-	-	-	$0	1Q 2024	3Q 2024
1.1	Use the new brand and marketing plan to target residential audiences/recruit talent	X	Y	-	Y	Y	TBD	2Q 2024	ongoing
2.2	Evaluate utility capacity in these areas	X	X	-	-	-	$0	3Q 2024	4Q 2024
2.3	Coordinate key infrastructure sizing relative to these areas with the City's CIP	Y	X	-	-	-	$0	3Q 2024	4Q 2024
2.4	Outreach to residential/master planned community developers	X	-	-	-	-	$0	3Q 2024	ongoing
Entrepreneur Ecosystem									
1.1	Map and identify entrepreneur resources in Rockdale	X	-	-	-	Y	$0	1Q 2025	
1.2	Create networking opportunities for entrepreneurs	X	-	-	-	Y	$0	1Q 2025	
1.3	Market Rockdale as a community for entrepreneurs across multiple industries	X	-	-	-	Y	$0	2Q 2025	
1.4	Create a more detailed entrepreneur ecosystem development plan	X	-	-	-	Y	$0	3Q 2025	
1.5	Seek out ways to certify Rockdale as an entrepreneur-friendly community	X	-	-	-	Y	$0	4Q 2025	
Retail Expansion									
1.1	Identify areas on the future land use map for candidate areas for commercial development	X	Y	-	-	-	$0	1Q 2024	3Q 2024
2.3	Identify target anchor retail and market to them	X	-	-	-	-	$0	3Q 2024	ongoing
2.1	Identify commercial developers and consistently communicate Rockdale's message	X	-	-	-	-	$0	4Q 2024	ongoing
2.2	Continue to update the Rockdale Retail Market Report	X	-	-	-	-	$19,000	ongoing	ongoing
2.4	Continue outreach efforts to small regional entrepreneurs and business owners	X	-	-	-	-	$8,400	ongoing	

PLAN EVALUATION

Economic Development Strategic Plan Evaluation

This plan makes a distinction between Economic Growth and Economic Development.

Academically speaking, the distinction is that economic growth simply focuses on Gross Domestic Product (GDP) growth, economic output, and related measures. Additional revenue from pre-existing sources (property tax, sales tax, utility sales) collected by the City of Rockdale is included as matters of economic growth.

Economic development, on the other hand, looks more at the human-social interactions with an economy. It also involves how an economy can evolve from one type to another, e.g., an agricultural economy to an industrial economy to an information/ technology-based economy. Additional revenue from new or previously insignificant sources (PILOT payments, building permit fees) collected by the City of Rockdale is included as matters of economic development.

WHAT'S THE DIFFERENCE BETWEEN?

Economic Growth

An increase in the production of economic goods and services, compared from one period to another

Gross Domestic Product (GDP)
Jobs
Tax revenue

Economic Development

The creation of wealth from which community benefits are realized

Community income - household/per capita
Poverty rate
Educational attainment
Quality of life/place perceptions
Income inequality
Economic diversification

Overall Economic Development Strategic Plan Measurements

The metrics described below will be for measurement on overall progress made as the plan is implemented. More specific metrics will be described for particular action item activities.

Output Measurements

Metrics that track and measure internal activities which work towards the accomplishment of a particular goal or objective

Outcome Measurements

Metrics that track and measure the external outcomes resulting from public policy activities.

For the purposes of this section, the plan's main outcome measurements will be described.

ECONOMIC GROWTH OUTCOME MEASUREMENTS			
		Current	Target - 2031
Milam County	Gross Domestic Product (GDP)	$607.6 million	$1.2 billion
	Manufacturing GDP	$38.9 million	$450 million
	Manufacturing jobs	224	2,000
City of Rockdale	Net taxable ad valorem value	$290 million	$600 million
	Sales tax revenue	$1 million	$2.5 million

ECONOMIC DEVELOPMENT OUTCOME MEASUREMENTS			
		Current	Target - 2031
City of Rockdale	Poverty rate	20.6%	15%
	Per capita income	$19,800	20% improvement - $23,700
	Household income	$39,600	20% improvement - $47,000
	Education attainment	4%	20%
	Percent population with bachelor degree or higher		
	Percent owner-occupied house	52.3%	65%
	Citizen Satisfaction Survey Measurements		
	Business Satisfaction Survey Measurements		