



This proposal was a successful bid to initiate a new and necessary economic research center attached to the university. The region was in the midst of an economic boom due to oil discovery, but knew it needed to prepare for an inevitable bust.

ATTACHMENT TO ITEM

Proposal

South Texas Economic Development Center Texas A&M University-Corpus Christi

1. Rationale for establishing the South Texas Economic Development Center

Current developments across communities in South Texas are driving establishment of the South Texas Economic Development Center (STEDC) by the Texas A&M University System.

- The proposed center fulfills a need for South Texas to provide regional-specific data and expertise to its communities and to participate fully for its fair share of economic development driven particularly by expansion in the Eagle Ford Shale oil and gas industry and the development of an Unmanned Aircraft Systems (UAS) test site. STEDC will serve as a socioeconomic observing unit that regularly monitors the regional economy and educates the public regarding economic and community development in South Texas.
- Rapid economic growth across communities in South Texas has generated both opportunities and challenges for public officials and industry leaders alike, who have sought increasingly more regional-specific data resources and in-depth research efforts from Texas A&M University-Corpus Christi (A&M-Corpus Christi). The proposed center will manage A&M-Corpus Christi's contributions to South Texas's economic and community development by coordinating the university's research and academic units that possess industry and economic development capacities. A large number of regional business and civic organizations have committed resources to the establishment of this center dedicated to helping South Texas maintain its economic edge and competitiveness.
- In addition to research and outreach programs, the proposed center promises broad enrichment of graduate and undergraduate educational opportunities as students engage the interdisciplinary knowledge base and skills required for regional economic and business development, especially those required for the studies of local industry performance, business solutions and community planning.
- The proposed center promises to become a leading unit within the A&M System for research on economic and business development, and educational enrichment that will promote sustainable economic growth in South Texas. Currently, A&M-Corpus Christi does not have a hub for such research and outreach activities as demanded by the regional community. The Institute for Economic Development at University of Texas at San Antonio has emerged as the primary think tank for addressing economic and community development issues for South Texas as a whole in the midst of rapid development in the Eagle Ford Shale region. Economic data resources and studies focusing on local communities south of San Antonio, particularly the 12-county Coastal Bend area, are much needed by the public. As the Federal Reserve Bank of Dallas does not have a branch in this region, research data and studies in support of regional long-term economic development

are lacking from public entities.

- STEDC will help A&M-Corpus Christi meet the regional economic development needs by collaborating with other units on campus, including the Coastal Bend Business Innovation Center (CBBIC), the EDA University Center, the Harte Research Institute for Gulf of Mexico Studies, the LSUAS Center of Excellence and Innovation, Social Science Research Center; as well as economic and workforce development entities off campus, such as the Coastal Bend Council of Governments, Workforce Solutions of the Coastal Bend, regional economic development corporations, and government agencies across South Texas. The proposed center will also leverage the newly adopted goal of A&M-Corpus Christi's College of Business, which aims at fostering regional economic development through enhancement of business and innovation in the South Texas community. In addition to other stakeholders in Corpus Christi, STEDC will represent A&M-Corpus Christi in partnership with other A&M System institutions, such as Texas A&M University-Kingsville, Texas A&M University-San Antonio, and Texas A&M International University.

Vision

The proposed center is envisioned as a partnership between A&M-Corpus Christi and the Coastal Bend community in South Texas, both of which have already established a strong working relationship. In particular, the City of Corpus Christi provided financial support to A&M-Corpus Christi that contributed to the establishment of the Coastal Bend Innovation Center, an internship program, an engineering degree program, and the Lone Star Unmanned Aircraft System (LSUAS) test site in South Texas. Different entities at A&M-Corpus Christi, particularly the College of Business and the College of Liberal Arts, have also worked closely on economic development issues with the City of Corpus Christi, local industry leaders and other community stakeholders, such as the Corpus Christi Convention and Visitors Bureau, Corpus Christi Regional Economic Development Corporation, Coastal Bend Workforce Development Board and Coastal Bend Council of Governments. A&M-Corpus Christi has also made strides in collaborating with the regional community through, for instance, its leadership in the Bold Future of the Coastal Bend initiative between 2008 and 2012, the establishment of CBBIC in 2010 with local financial support, and its participation in the Eagle Ford Consortium workshops since 2010. The proposed center promises to further strengthen this working relationship between the A&M System and the South Texas community.

STEDC will leverage current developments at A&M-Corpus Christi to both provide needed resources in the region and to expand opportunities for students. The center will be housed in A&M-Corpus Christi's College of Business, which is also home to CBBIC. CBBIC, which provides a number of student assistant opportunities, has undergone different stages of expansion along with the addition of the unmanned aerial vehicle (UAV) command and control center created as a result of the LSUAS initiative.

With a focus on regional economic and business development, STEDC will facilitate collaborative research and outreach activities between the community and the existing research and academic units at A&M-Corpus Christi, particularly the EDA University Center, the Harte Research Institute for Gulf of Mexico Studies, and the newly established Center of Excellence and Innovation. The proposed center will also complement the development of academic programs particularly for the College of Business. For instance, the STEDC staff will collaborate with the College of Business's

faculty in designing and managing a graduate business certificate program targeting professionals in the burgeoning energy sector in South Texas.

Mission, Goals, Objectives, and Milestones

The mission of STEDC is to support and advance the sustainable economic development and competitiveness of South Texas, particularly the Coastal Bend region while preparing students to seamlessly enter the workforce. This mission will be accomplished through the following activities:

- Conduct research specific to economic and community development in South Texas, and disseminate relevant economic and business data and studies to the regional business community, government agencies, policymakers and the general public, in order to foster long-term sustainable economic development in South Texas
- Promote excellence in interdisciplinary business, sciences and social science research, public policy initiatives, business solutions, and education of the public concerning the South Texas economy and its businesses
- Collaborate with other entities on and off campus, in order to achieve the common goals of addressing business and socioeconomic issues related to the South Texas region
- Facilitate an environment that is conducive to the conduct of quality programs in regional economic and business research and education with highly qualified faculty, staff, and students

The primary goal of STEDC is to facilitate the achievement of one of the major goals of A&M-Corpus Christi and its College of Business, namely the promotion of sustainable economic development of the community as a regional and international economic center.

Principal Objectives

Phase I (years 1-5)

- Develop an online hub for disseminating economic and business data for individual counties in South Texas as well as for the region as a whole
- Provide monthly updates on the current condition of the regional economy
- Develop economic indicators for major South Texas communities, beginning with the Corpus Christi metro area
- Publish annual reviews of the economy of individual communities in South Texas
- Contribute to state and federal level grant applications involving regional economic development, particularly in assessing the feasibility and the economic impacts of new development projects
- Conduct research studies on business and industry trends in South Texas, such as shale oil and gas drilling, and industrial manufacturing
- Collaborate with other A&M-Corpus Christi entities, such as the Coastal Bend Innovation Center and Center of Excellence and Innovation, in promoting growth among local small businesses and high tech industries
- Engage in outreach activity with the South Texas regional community, particularly public officials and economic development planners, in developing strategic plans for regional

economic and community development

- Facilitate the development of new academic programs at A&M-Corpus Christi to meet changing regional workforce needs, such as a new electrical engineering undergraduate degree, and new concentrations in business disciplines, including entrepreneurship and management in the oil and gas industry
- Provide an academic and research environment to facilitate the development of (i) applied economic and business research opportunities for undergraduate and graduate students, and education and training to serve the special needs of the regional community; and (ii) information flow to the general public regarding the regional economic impacts of A&M-Corpus Christi and the A&M System

Phase II (years 6-9)

- Become a self-sustaining think tank for regional community and industry leaders who seek localized data, research studies, and solutions
- Become A&M System’s premier regional economic research and community outreach unit for the state of Texas
- Engage in multidisciplinary research efforts with other entities across the A&M-Corpus Christi campus, such as the Center of Excellence and Innovation, Conrad Blucher Institute, Center for Coastal Studies, and Harte Research Institute for Gulf of Mexico Studies, in promotion of sustainable development in the state of Texas and the Gulf of Mexico region
- Expand workforce development programs to provide professional training for Texas state’s target industries

Milestones

Phase I Milestones	Deadline
Develop an economic database for South Texas counties	6/2014
Develop and disseminate monthly regional economic updates	8/2014
Publish South Texas regional economic data online	10/2014
Disseminate first study of regional industry trend (Eagle Ford oil & gas)	1/2015
Publish first annual review of South Texas’ regional economy	2/2015
Establish community outreach with regional government officials	3/2015
Host the first annual “state of the regional economy” seminar	8/2015
Complete at least three studies commissioned by local community entities	9/2015
Integrate economic and business research with A&M-Corpus Christi’s unmanned aircraft research and commercialization	12/2015
Facilitate the development of an entrepreneurship degree within A&M-Corpus Christi undergraduate business program	9/2016
Facilitate the development of an energy certificate within A&M-Corpus Christi MBA program	9/2017
Phase II Milestones	Deadline
Expand the scope of research and community services beyond South Texas	6/2019
Support the development of A&M-Corpus Christi multidisciplinary degree in sustainability	9/2020
Establish a hub for Texas state’s regional economic development	1/2021

Faculty Experience and Expertise

A&M-Corpus Christi’s College of Business, CBBIC, Social Science Research Center and other academic units have established a close working relationship with the regional communities of South Texas, particularly in the Coastal Bend area. The following table indicates the range of research and outreach activities for the primary faculty who will expand current research and support for STEDC through public- and private-sector funding for regional economic and business research efforts. These STEDC faculty members are also responsible for recruiting faculty research and teaching fellows from A&M-Corpus Christi for developing new research projects and academic programs.

Primary STEDC Faculty (Appendix A)		
Faculty	Position	Focus Area
Jim Lee, Ph.D.	Director of STEDC, Regents Professor of Economics, and chair of Decision Sciences and Economics Department	Oversees all aspects of center operations; conducts research in regional economic development, engages in community outreach for regional economic development; and facilitates the development of new A&M-Corpus Christi academic programs that promote regional economic development
Kent Byus, Ph.D.	Research/education fellow, Joslin Endowed Professor of Marketing, and chair of Management and Marketing Department	Conducts research in regional entrepreneurship and community development; engages in community outreach for regional business development; and facilitates the development of new A&M-Corpus Christi business programs
Donald Deis, Ph.D.	Research/education fellow, Professor of Accounting, and chair of Accounting, Business Law and Finance Department	Conducts research in accounting and business development; engages in community outreach for regional business development; and facilitates the development of new A&M-Corpus Christi oil and gas oriented programs
Mohan Rao, Ph.D.	Research/education fellow, and Associate Professor of Operations Management	Facilitates data base management and online presentation; collaborates with other research fellows on data analytics; and facilitates the development of SAP and business analytics in the new A&M-Corpus Christi energy curriculum
Monica Hernandez, Ph.D.	Research/education fellow, and Assistant Professor of Marketing	Conducts research in social marketing and business development particularly in South Texas; engages in community outreach for regional business development; and facilitates the development of new A&M-Corpus Christi business programs

The executive director of the proposed center will be Dr. Jim Lee, Regents Professor of Economics and chair of the Decision Sciences and Economics Department. He has extensive experience in conducting research studies for the local community, and he has been an economic advisor and consultant to numerous government agencies and civic organizations. He has also participated in the development of A&M-Corpus Christi's CBBIC, the EDA University Center, and the Lone Star Unmanned Aircraft System initiative. Dr. Lee will report to the College of Business dean, Dr. John Gamble, who will oversee the center's operations and budget, interact closely with the center's Advisory Board, and work to solicit financial and community support for the center's programs. Dr. Lee will also be responsible for working with the center's faculty associates and staff to develop an agenda for research, education and outreach efforts that would be reviewed by the Advisory Board on an annual basis.

The center will also be staffed by faculty across different business disciplines. The lineup of faculty fellows will initially include Drs. Kent Byus, Donald Deis, Mohan Rao, and Monica Hernandez. They will conduct research studies on a work-for-hire basis as commissioned by external grants. Dr. Kent Byus will develop research and education programs focusing on local businesses and entrepreneurship. As chair of the Management and Marketing Department and professor of Marketing, he has extensive experience in owning and collaborating with small businesses in Corpus Christi, as well as in assisting new startups as clients at the Coastal Bend Business Innovation Center. Dr. Donald Deis is chair of the Accounting, Business Law and Finance Department. With his expertise in oil and gas accounting, he will conduct research and develop education programs in line with current developments in South Texas. Dr. Mohan Rao has expertise and experience in business operations management and data base management. He will facilitate the management of the center's data resources and disseminate them online. He will also conduct business analytics studies and develop new business academic programs along with other faculty at the center. Dr. Monica Hernandez is an assistant professor of marketing. With her expertise in social and media marketing, she will collaborate with other research fellows in studies specifically focused on consumer and business issues of South Texas.

Beyond A&M-Corpus Christi, the proposed center will be supported by other economic development stakeholders across South Texas, such as Coastal Bend Workforce Development Board, Corpus Christi Regional Economic Development Corporation, Coastal Bend Community Foundation, Corpus Christi Chamber of Commerce, and the Center for Economic Development at Del Mar College.

2. Impact on Education and Training of Students

Educational Activities

The proposed center will serve as a hub and proving ground for students, faculty, staff and community stakeholders to apply knowledge learned in the classroom and through research to assess the performance of local businesses and the South Texas regional economy, and to provide solutions for sustainable economic development in the region.

In addition to being a research center, STEDC is a training ground for graduate and undergraduate students at A&M-Corpus Christi. A number of students will be hired as assistants for data collection and research studies conducted by the center's research staff. These programs will

provide practical training opportunities for students particularly in the College of Business and the College of Liberal Arts, both of which offer a degree in Economics. Some basic and applied research, such as economic modeling and empirical investigations of local industries, will also involve students and faculty beyond economics and business, such as engineering, mathematics, statistics, and geographic information systems.

To meet the changing workforce needs of the regional community, STEDC will facilitate the development of new and existing academic programs at A&M-Corpus Christi. In particular, given rapid development of the shale oil and gas industry in South Texas, the center will collaborate with the College of Business faculty in designing a new graduate certificate program for professionals in the energy sector. Moreover, in response to the emerging industrial manufacturing sector in Corpus Christi, this center will provide support for the expansion of A&M-Corpus Christi's engineering programs.

3. Sources and Future Expectations of Financial Support

The proposed center will be funded in part through startup resources of over \$20,000 contributed by local business and community leaders with additional future commitments for four additional years, after which time the center will be fully self-funded. The salaries of the center's research and other staff will be incurred initially by the College of Business at A&M-Corpus Christi. No additional funding from A&M University System will be requested.

The center's primary research staff has established a history of engaging in research and outreach projects commissioned by regional economic development agencies, including Workforce Solutions of the Coastal Bend, Corpus Christi Convention and Visitors Bureau, Corpus Christi Chamber of Commerce and the City of Corpus Christi. In addition to the total amount of \$100,000 from external donations, those community projects are expected to provide additional funding sources totaling \$50,000 within the first five years of the center's operation.

Continued funding and support from external sources will be targeted towards:

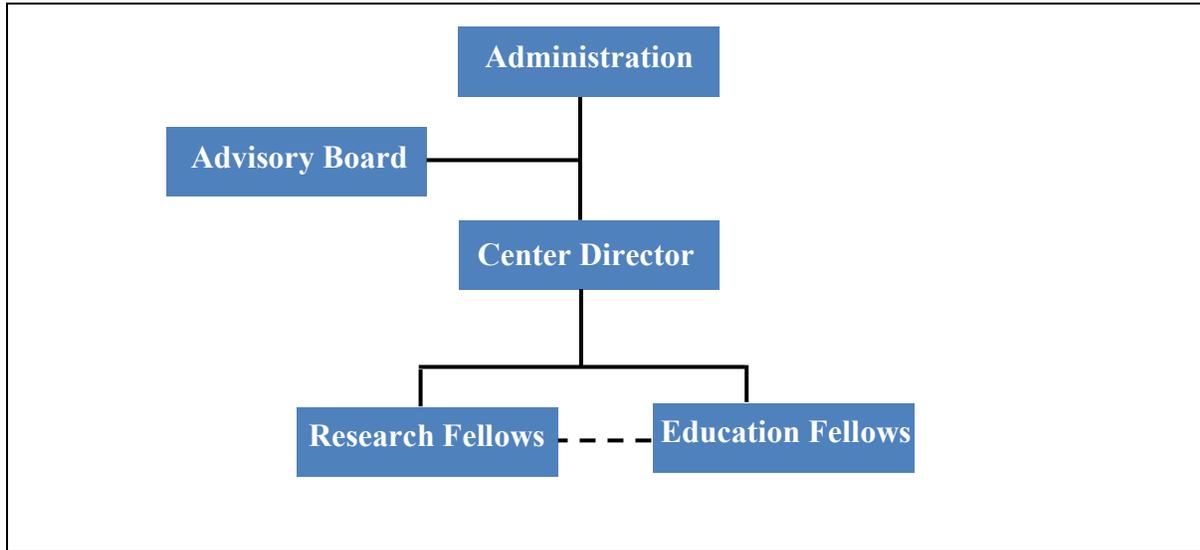
- Corporate and individual donors
- Regional public partners
- Consulting fees from clients
- Research grants from local, state and federal government entities

A major benefit of the center being housed in the College of Business at A&M-Corpus Christi is that the operational costs associated with space and infrastructure and the staff will partially be covered by the College of Business. By the fifth year of its operation, STEDC is expected to be fully self-funded with external grants and donations.

4. Governance and Advisory Structure

The following chart illustrates the organizational structure of STEDC:

**South Texas Center for Economic Development
Organizational Chart**



The key **Administration** of STEDC will be A&M-Corpus Christi College of Business dean, who will oversee the center’s operations and budget. This administration is charged with the overall conduct of the center, appointing and ensuring the director is carrying out his/her responsibilities to meet center goals and comply with university regulations.

The **Advisory Board** will meet annually. Board members consist of regional public officials and leaders from the business and non-profit sectors. The board’s responsibility is to review goals of the center, and assess the extent to which the center’s research and academic programs meet the regional economic development goals. The Administration will vet nominations to the Board for final approval by the CEOs of A&M-Corpus Christi.

The **Director’s** primary responsibility will be to oversee the day to day operation of the center. The director will also be the primary researcher and coordinator for the center’s research and academic programs. Moreover, the director will provide open communication to the rest of A&M-Corpus Christi and the public in an appropriate and timely manner. The center’s research and education programs will be staffed primarily by A&M-Corpus Christi’s faculty, who will serve as **Research Fellows** or **Education Fellows** on an ad hoc work-for-hire basis.

5. Mechanisms for Periodic Review

STEDC will be reviewed in accordance with the policies established for A&M System’s centers and institutes. In addition, a review committee will be established to conduct a special review every five years. This committee will include members of the center’s Advisory Board and A&M-Corpus Christi’s internal steering committee. The review committee will apply the following metrics to

evaluate the success and effectiveness of the center within the mission of A&M-Corpus Christi and its College of Business. The metrics will include:

- Impact of the center's research on regional economic growth
- Data, publications and presentations to the regional community
- Research opportunities for faculty and students
- Amount of funding and expansion of CED staff and students
- Number of media news articles, speaking engagements, interviews and other events that impact the center's public recognition, particularly in the South Texas community