

ECONOMIC DEVELOPMENT

Adopted March 27, 2023

The City of Katy, together with the area's local, county-level and regional lead entities for economic development, continue to work on key market factors they can directly influence. For the City, this especially includes utility infrastructure availability and capacity, along with processes for obtaining development approvals and permits.

Plan Sections

- Growth Capacity
- Land Use and Development
- Transportation
- **Economic Development**
- Recreation and Amenities
- Plan Implementation

Local governments create synergy by providing basic public services, on the one hand, while also supporting economic development initiatives. Increased economic activity that creates a growing tax base better enables the City to provide the infrastructure and services desired by residents and businesses. In turn, the services, infrastructure and amenities the City provides are enticements that encourage further economic growth. Well-constructed economic development policies will provide Katy the greatest opportunity to influence the quality, quantity and timing of development. Such policies will create the ability to shift some of the risk of funding public improvements to private sector partners and will afford the opportunity to ensure growth pays for itself.

Why this Comprehensive Plan Section is Important for Katy

- Reinforces that while the City is not the area’s lead entity for economic development, it has a foundational role to play involving provision of utility infrastructure and other essential public services, and applying its development regulations and other municipal ordinances to maintain a favorable investment framework.
- Emphasizes the importance of both commercial development quality and attractive design of public infrastructure and streetscapes along Katy’s major corridors as this is where first and lasting impressions of the community are formed.
- Highlights redevelopment opportunities associated with commercial and industrial sites and where the City, with its various partners, should concentrate its efforts to ensure outcomes desired by Katy residents.
- Advocates that successful economic development also requires a focus on quality of place, capitalizing on Katy's location, transportation infrastructure and other assets, and its special

character to attract and retain businesses and high-skilled workers – and to draw visitors seeking shopping, services, entertainment, recreation, and arts and culture.

Accomplishments

Progress and achievements resulting from past planning and implementation efforts were identified through leadership and community input to this plan. Significant items cited that are most relevant to the Economic Development topic include:



- Successful navigation of the peak COVID-19 pandemic years, in terms of City revenue sources and maintaining capital reserves for ongoing public investments, which helps to boost the City's bond rating.
- Creation of the Katy Development Authority (KDA), by the City of Katy, to promote economic development through public-private partnerships that support the completion of public infrastructure (e.g., local mobility projects through cost sharing with METRO) and high quality private development (e.g., Katy Boardwalk District).
- Continued growth in the total taxable value of property within the city, especially from new commercial and light industrial/warehouse development, helping to grow City revenue while reducing property tax rates.
- Continued growth in sales tax revenue from ongoing commercial development.
- Progress on the Katy Boardwalk District, including planning and design for the hotel and convention center anchor.
- Renegotiation with Katy Mills, which provided for aesthetic upgrades.
- Complementary private investment and revitalization downtown with completion of the Historic Downtown Plaza and streetscape upgrades, along with a new City Hall and Civic Center.
- Automation and software upgrades to expedite permitting and other City services.
- Aesthetic and branding enhancements that have raised Katy's regional profile (e.g., water tower art along I-10, gateway treatments and public art installations, etc.).



Vision, Guiding Principles and Plan Priorities

The Economic Development section ties into the overarching Comprehensive Plan framework in the following aspects:

Link to Vision

Providing a safe, connected and resilient place to live, work, invest, learn and worship.

Offering residents and visitors an amenity-filled, welcoming community.



Relevant Guiding Principles

GP1: Katy will continue to be **PRO-ACTIVE** in providing a high quality of life for all residents, listening and responding to residents' concerns and aspirations, and seeking to involve more residents, businesses and other partners in making Katy a strong community.

GP2: Katy will be **ENGAGED** as it seeks to build and maintain partnerships in all arenas, including transportation, infrastructure, economic development, emergency response, and parks and recreation.

GP3: Katy will be **AUTHENTIC** as it seeks to preserve its small-town feel and unique identity, through continuing improvements to public areas and facilities, historic preservation efforts, and ongoing and new community events that bring people together.

Relevant Strategic Priorities

2. Pro-actively Preparing for Ongoing Growth.
4. Achieving an Even More Livable Katy.
5. Advancing Plan Priorities through New and Improved Implementation Tools.

Framework for Action

The Framework for Action in each plan section builds off of the plan priorities confirmed with Katy City Council during the transition from the Existing City to the Future City phase of Comprehensive Plan development. The actions in this Economic Development section involve tangible steps that will lead to achievement of the Goals in line with the plan's Guiding Principles. The actions are categorized into the five types of plan implementation activities as highlighted in the Introduction section:

1. Capital Investments
2. Programs and Initiatives
3. Regulations and Standards
4. Partnerships and Coordination

5. More Targeted Planning/Study

Goals for Economic Development

GOAL ED1:	A diversified local economy that both attracts new businesses and retains and nurtures existing businesses to grow and succeed here.
GOAL ED2:	A varied retail base and mix within Katy, including in the Downtown area, which serves residents and also draws in visitors along with the community’s other tourism attractions.
GOAL ED3:	A continued focus on Katy’s existing economic assets, including business investment along the I-10 and U.S. 90 corridors, Katy Mills, the Boardwalk District and Downtown Katy.
GOAL ED4:	Enhanced partnerships and collaborative relationships with the Waller County Economic Development Partnership, Fort Bend Economic Development Council, Katy Area Economic Development Council, Katy Area Chamber of Commerce, West Houston Association, Greater Houston Partnership and others that promote regional prosperity and local investment.

Strategic Action Priorities for Economic Development

ACTION	Initiate	Action Type	Action Leaders and Key Partners
GOAL ED 1: A diversified local economy that both attracts new businesses and retains and nurtures existing businesses to grow and succeed here.			
SAP 1. As part of addressing community image and aesthetics to support economic development, consider ways to incentivize upgrades to older retail centers and commercial properties while also monitoring ongoing disruption in the nation’s retail sector from online shopping and pandemic recovery.	Years 1-10	Programs and Initiatives	<ul style="list-style-type: none"> ▪ Planning ▪ Finance

ACTION		Initiate	Action Type	Action Leaders and Key Partners
SAP 2.	Continue to monitor state legislation affecting economic development best practices and tools for Texas municipalities.	Ongoing	Programs and Initiatives	<ul style="list-style-type: none"> ▪ City Attorney ▪ City Administrator ▪ Katy Economic Development Council
SAP 3.	Continue to use future land use and thoroughfare planning and other municipal tools to ensure that as Katy approaches build-out it is maintaining a balance of land uses for fiscal sustainability, including a diverse and sustainable commercial tax base.	Ongoing	Regulations and Standards	<ul style="list-style-type: none"> ▪ Planning ▪ Finance ▪ Katy Economic Development Council
SAP 4.	Continue advancing the overall purposes of the City’s zoning ordinance and applying specific provisions relevant to this Economic Development goal, including existing zoning districts for both light and more intensive commercial uses (C-1 and C-2), a wide range of industrial uses (M, including “research and development, manufacturing, assembly and fabrication, warehousing and distribution”), and a Planned Development District (PDD) “to encourage the unified design of residential, commercial, office, professional services, retail and institutional uses and facilities or combinations thereof.”	Ongoing	Regulations and Standards	<ul style="list-style-type: none"> ▪ Planning



ACTION	Initiate	Action Type	Action Leaders and Key Partners
<p>GOAL ED 2: A varied retail base and mix within Katy, including in the Downtown area, which serves residents and also draws in visitors along with the community’s other tourism attractions.</p>			
<p>SAP 5. Continue advancing the overall purposes of the City’s zoning ordinance and applying specific provisions relevant to this Economic Development goal, including an existing zoning district specifically for the downtown area and vicinity (OKD, intended to support a range of typically smaller-scale retail, office/professional, dining/entertainment and service uses by encouraging “adaptive reuse of existing structures in the historic downtown area” and “pedestrian-oriented development” through provisions “designed to aid rehabilitation of existing structures and promote infill and redevelopment”).</p>	Ongoing	Regulations and Standards	<ul style="list-style-type: none"> ▪ Planning
<p>SAP 6. Continue to assist small businesses and building owners to navigate code requirements and other potential challenges to locating in and renovating spaces within older and/or historic structures in downtown and elsewhere.</p>	Ongoing	Regulations and Standards	<ul style="list-style-type: none"> ▪ Planning ▪ Katy Heritage Society
<p>SAP 7. Complete a special area plan for areas east of Downtown, including the rice dryer redevelopment area and the 5th Street corridor, to establish a longer-term vision for their overall potential, clarify the desirable range of uses to guide zoning strategy, provide guidance for updated development standards to ensure desired and quality outcomes, assess capital investment and mobility enhancement needs, and consider potential public roles and tools for influencing private decisions and investment, along with promoting area identity and vitality with other community partners.</p>	Years 1-5	More Targeted Planning/Study	<ul style="list-style-type: none"> ▪ Planning ▪ Public Works ▪ City Engineer ▪ City Attorney ▪ Katy Development Authority ▪ Katy Economic Development Council



ACTION		Initiate	Action Type	Action Leaders and Key Partners
GOAL ED 3: A continued focus on Katy’s existing economic assets, including business investment along the I-10 and U.S. 90 corridors, Katy Mills, the Boardwalk District and Downtown Katy.				
SAP 8.	Continue installing more gateway entrance features utilizing the Katy name and branding as these high-profile locations offer opportunities to establish “first impressions,” promote Katy’s image and communicate community values.	Ongoing	Capital Investments	<ul style="list-style-type: none"> ▪ Keep Katy Beautiful ▪ Tourism and Marketing ▪ Public Works
SAP 9.	Continue pursuing opportunities to link the design and construction of specific capital projects to community beautification objectives, as Katy has done so well with its enhanced water storage towers.	Ongoing	Capital Investments	<ul style="list-style-type: none"> ▪ Public Works ▪ City Engineer ▪ Keep Katy Beautiful ▪ Katy Development Authority
SAP 10.	Along with other community partners, continue efforts to activate the Historic Downtown Square more regularly in support of downtown businesses.	Ongoing	Programs and Initiatives	<ul style="list-style-type: none"> ▪ Tourism and Marketing ▪ Parks and Recreation
SAP 11.	Consider pursuing a Livable Centers Study through H-GAC, which in recent years has required a 10% local match by the sponsoring local government, to focus on Katy’s downtown area, emerging entertainment district, and nearby areas south of U.S. 90 around Danover and Pin Oak Roads. The cities of Fulshear, Waller and Hempstead are nearby examples of communities that have taken advantage of this H-GAC program, along with an upcoming study for Prairie View (https://www.h-gac.com/livable-centers/).	Years 1-5	More Targeted Planning/Study	<ul style="list-style-type: none"> ▪ Planning ▪ Public Works ▪ City Engineer ▪ Finance (for local grant match) ▪ Katy Development Authority ▪ Katy Economic Development Council

ACTION	Initiate	Action Type	Action Leaders and Key Partners
<p>SAP 12. Pursue market-based corridor studies for specific commercial corridors, such as U.S. 90, FM 1463 south of I-10, Pin Oak Road north of I-10, and the Danover/Stockdick Road area, among other possibilities. A market-based corridor study examines the specific market context along the corridor, identifies potential redevelopment opportunities and catalyst sites, and may involve preparation of development pro formas for the catalyst sites. Study recommendations should focus especially on unique and essential action steps City government and other partners can take to spur new investment and reinvestment. One regional example is the State Highway 35 Corridor Redevelopment Plan conducted within the City of Pearland through its Economic Development Corporation, along with subsequent implementation efforts (https://www.pearlandedc.com/developments/state-hwy-35/). This was followed later by a Broadway Corridor (FM 518) Development Plan in Pearland (https://www.pearlandedc.com/developments/broadway-corridor-development-plan/).</p>	<p>Years 1-10</p>	<p>More Targeted Planning/Study</p>	<ul style="list-style-type: none"> ▪ Planning ▪ Katy Economic Development Council ▪ Katy Development Authority

ACTION	Initiate	Action Type	Action Leaders and Key Partners
<p>GOAL ED 4: Enhanced partnerships and collaborative relationships with the Waller County Economic Development Partnership, Fort Bend Economic Development Council, Katy Area Economic Development Council, Katy Area Chamber of Commerce, West Houston Association, Greater Houston Partnership and others that promote regional prosperity and local investment.</p>			
<p>SAP 13. Continue promoting broad participation in the Leadership Katy program of the Katy Area Chamber of Commerce, “aimed at convening, connecting and mobilizing a pipeline of promising leaders to explore and address key business and community issues in the Katy community” per the Chamber website description. In many cities this has led to an ongoing formalized structure for young and emerging leaders to collaborate and channel volunteer enthusiasm and effort into strategic initiatives that benefit the entire community, as well as nurturing potential future municipal officials and advisory board/commission members.</p>	<p>Ongoing</p>	<p>Programs and Initiatives</p>	<ul style="list-style-type: none"> ▪ Katy Area Chamber of Commerce ▪ Local businesses ▪ Community organizations ▪ Katy ISD
<p>SAP 14. Maintain Katy’s Tree City USA recognition from the Arbor Day Foundation, in partnership with Keep Katy Beautiful, and pursue more community recognitions and competitive rankings that are beneficial for economic development purposes and general marketing of Katy (e.g., All-America City honors through the National Civic League).</p>	<p>Years 1-10</p>	<p>Programs and Initiatives</p>	<ul style="list-style-type: none"> ▪ Parks and Recreation ▪ Keep Katy Beautiful ▪ Katy Economic Development Council
<p>SAP 15. Continue active participation in and support for local and regional economic development organizations to advance Katy’s interests.</p>	<p>Ongoing</p>	<p>Partnerships and Coordination</p>	<ul style="list-style-type: none"> ▪ City Council and City Administrator

ACTION		Initiate	Action Type	Action Leaders and Key Partners
SAP 16.	<p>Continue to strengthen and grow partnerships in key areas where the City does not have a lead role, including:</p> <ul style="list-style-type: none"> ▪ Economic development planning, programs and initiatives administered for larger areas that include Katy by the Waller County Economic Development Partnership, Fort Bend Economic Development Council, Katy Area Economic Development Council, Katy Area Chamber of Commerce, West Houston Association and Greater Houston Partnership. ▪ Education and workforce training with Katy ISD, area private schools, area higher education institutions and community colleges, and the regional Workforce Solutions program administered by the Houston-Galveston Area Council. ▪ Commercial property prospects with property owners, brokers and developers to keep abreast of their plans and desires for their properties. ▪ Insights about the area economy and local business needs or challenges through a major employers and small business owner’s roundtable that meets periodically. ▪ Tourism promotion and marketing coordination through the City’s Tourism and Marketing Department and Travel Katy (the City’s Convention and Tourism Bureau) and ongoing interaction with regional tourism resources (Visit Houston), Travel Texas (Office of the Governor, Economic Development and Tourism), Texas Department of Transportation (Texas Highways magazine and travel publications), Texas Parks and Wildlife Department, Texas Historical Commission, Texas Commission on the Arts, and Texas Travel Alliance, among others. 	Ongoing	Partnerships and Coordination	<ul style="list-style-type: none"> ▪ City Council and City Administrator ▪ Planning ▪ Parks and Recreation ▪ Tourism and Marketing ▪ Convention and Tourism Bureau (Travel Katy)

ACTION		Initiate	Action Type	Action Leaders and Key Partners
SAP 17.	Coordinate future interim and major updates of the Comprehensive Plan to coincide with periodic updates of the area’s key economic development strategy documents to ensure effective integration of land use with market analysis and other factors that drive business development and tax base enhancement efforts.	Years 6-10	More Targeted Planning/Study	<ul style="list-style-type: none"> ▪ Planning ▪ Katy Area Economic Development Council ▪ Katy Area Chamber of Commerce
SAP 18.	Coordinate with area economic development organizations or any other entities that may conduct more localized data collection or studies to quantify daytime population.	Ongoing	More Targeted Planning/Study	<ul style="list-style-type: none"> ▪ Planning ▪ Katy Area Economic Development Council

Texas Entertainment Districts Tied to Agricultural Heritage

Strategic Action Priority 7 in this section calls for the City to:

Complete a special area plan for areas east of Downtown, including the rice dryer redevelopment area and the 5th Street corridor, to establish a longer-term vision for their overall potential, clarify the desirable range of uses to guide zoning strategy, provide guidance for updated development standards to ensure desired and quality outcomes, assess capital investment and mobility enhancement needs, and consider potential public roles and tools for influencing private decisions and investment, along with promoting area identity and vitality with other community partners.

When considering this potential action item, the Comprehensive Plan Advisory Committee received information on entertainment districts that have emerged in other Texas communities on and around the sites of structures that once supported the area's agricultural economy, much like the rice dryer legacy in Katy. The images and summary information below capture some of the examples that were explored.



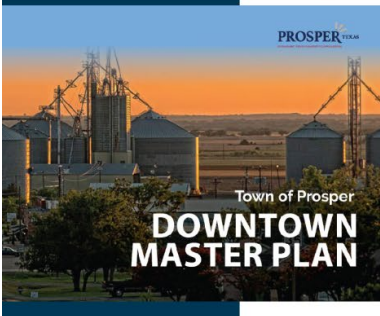
Silo Park in Prosper, Texas

Prosper Silo Park

CATALYST SITES Site 1

The redevelopment of Catalyst Site #1, including its silo renovation into a hotel with design and development plans underway will stimulate additional development interest and add activity to the terminus of Broadway Street. Incorporating retail and restaurants will expand the offerings of downtown, help active nightlife, and be an amenity for hotel guests.

The outdoor dining and bar area will help add street activity and attract others visiting downtown. Overflow into the planned open lawn and gathering area will create a unique appeal to this development site and allow for programming by the businesses located in it.

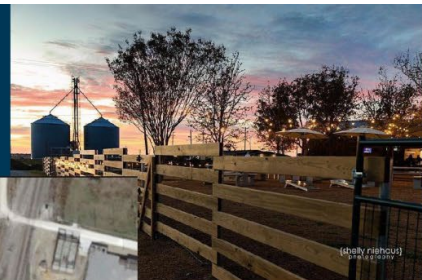


Site Features:

Site Area:	139,697 sq. ft. 3.21 acres
Uses:	
Retail / Restaurant / Ent.	30,200 sq. ft.
Hotel / Lodging	30 keys / rooms 24,000 sq. ft.
Gross Floor Area:	54,200 sq. ft.
Floor Area Ratio:	39%
Surface Parking:	211 spaces 73,920 sp. ft. 1.70 acres

Prosper Silo Park

- ▶ **3+ acres**
 - Grain silos by railroad at edge of downtown
- ▶ **Owned by Blue Star Corp (Jerry Jones)**
 - Four silos demolished for development
 - Town hoping to purchase three remaining
- ▶ **Mixed-use walkable design**
 - Silo preservation as identifying feature
 - Central lawn amid mix of uses, activity
 - Multi-story “container” buildings with views
 - Hotel, restaurants, retail
 - Part of overall downtown development vision
 - Interim family-oriented food truck park (SUP) with outdoor seating, kids area, bar, TVs
- ▶ **Tools used:**
 - Catalyst Site #1 in Downtown Master Plan
 - Rezoned Downtown Retail, PUD approved
 - Potential City purchase to retain iconic silos



The Co-Op District in Hutto, Texas

Hutto Co-Op District



Hutto Co-Op District

- ▶ **18 acres**
 - 1937 agricultural co-op site (cotton, grain)
- ▶ **City purchased in 2004**
 - Some ag structures sold, some integrated
- ▶ **Mixed-use walkable design**
 - Restaurants, retail, entertainment
 - Hotel and multi-family residential
 - City Hall, Civic Center, Library
 - Active town green, retention amenity
 - Parking garages
- ▶ **Tools used:**
 - Co-Op District Master Plan
 - Reinvestment Zone #1 (2018)
 - Interlocal agreement (City, County, TIRZ)
- ▶ **Texas Downtown Association Best Public Improvement Award**



Buda Mill and Grain Company in Buda, Texas

Buda Mill and Grain Company



Buda Mill & Grain Company

- ▶ **1914 cotton gin, silos and sheds**
 - At International-Great Northern RR downtown
- ▶ **Renovation began in 2011**
 - Master plan for 27K sq ft of retail, dining, office
 - Live music space under a giant live oak tree
 - Varied mix of 11 current tenants
 - Brewery concept planned
- ▶ **Tools used:**
 - EDC and City property and sales tax rebates
 - \$38K each per year up to 10 years
 - For 10+ full-time jobs, City sales tax revenue



McKinney Flour Mill in McKinney, Texas

McKinney Flour Mill



McKinney Flour Mill

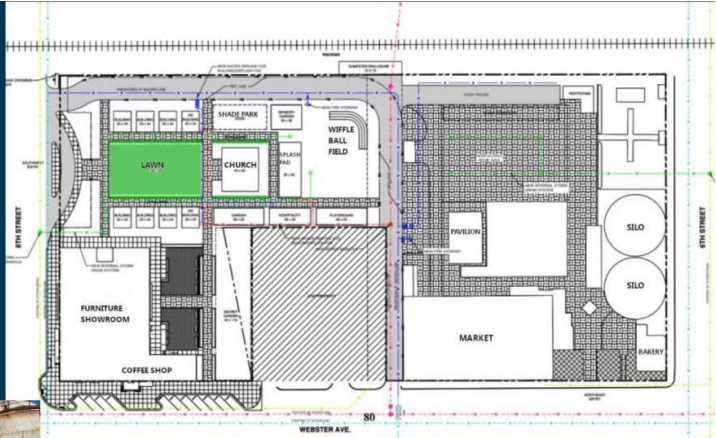
- ▶ **1872 flour mill**
 - Houston & Texas Central RR drove area growth
- ▶ **2019 rebrand: Mills at East McKinney**
 - Two event halls and garden space
 - Office space
 - Multiple small businesses on site
 - 100-ft tall mural on cement grain silos and elevator highlight area's ag/industrial legacy
 - Used as catalyst for downtown redevelopment
- ▶ **Tools used:**
 - City-Chamber joint initiative
 - External grant for renovation to mixed use
 - Local match used for upgrade of vicinity
 - Funding from TIRZ #1, McKinney CDC

VIEW FROM EAST ON VIRGINIA
CURRENT CORNER & FUTURE APARTMENT MASS



Magnolia Market at the Silos in Waco, Texas

Magnolia Market at the Silos (Waco)



Magnolia Market at the Silos

- ▶ **1950 silos for Cotton Oil Company**
 - Closed 1958, used for storage until 1990s
- ▶ **2013 Chip & Joanna Gaines purchase**
 - Two city blocks acquired and transformed
 - Mix of shops, restaurants, four vacation rentals
 - Large green lawn, lawn games, seasonal events
 - Outdoor stage/concerts, food trucks
 - Tours, vendor fairs
- ▶ **Tools used:**
 - \$1.06 million in TIF Zone 1 funding in 2019
 - \$10.4 million invested by Magnolia Silos LLC
- ▶ **2015 Outstanding Construction Award for Historical Renovation**



Silos at Sawyer Yards in Houston, Texas

Silos at Sawyer Yards



Silos at Sawyer Yards

- ▶ **1960s rice milling/packaging facility**
 - Site bisected by Union Pacific Railroad
 - Slow decline in 1970s-80s, abandoned 20+ years
- ▶ **Renewal process began in 2005**
 - One building renovated for Winter Street Studios
 - Old rice warehouse rehabilitated for 100+ artist workspaces plus retail, galleries, offices
 - SITE Gallery Houston housed inside 34 rice silos, committed to preserving silos
 - Now a multi-block thriving arts district that spurred brewery, restaurants, live music/movies
 - Regular events programming

- ▶ **Tools used:**
 - No City of Houston or other incentives cited
 - Three private investor/developer partners
- ▶ **2018 & 2021 Urban Land Institute awards**



