

economic development strategies for: **SOUTH PADRE ISLAND**



Strategies Workshop
25 October 2006

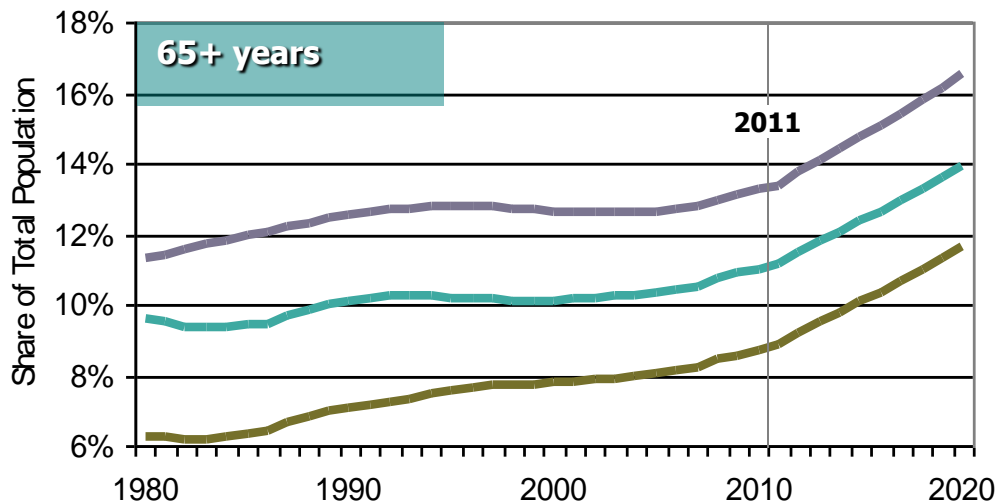
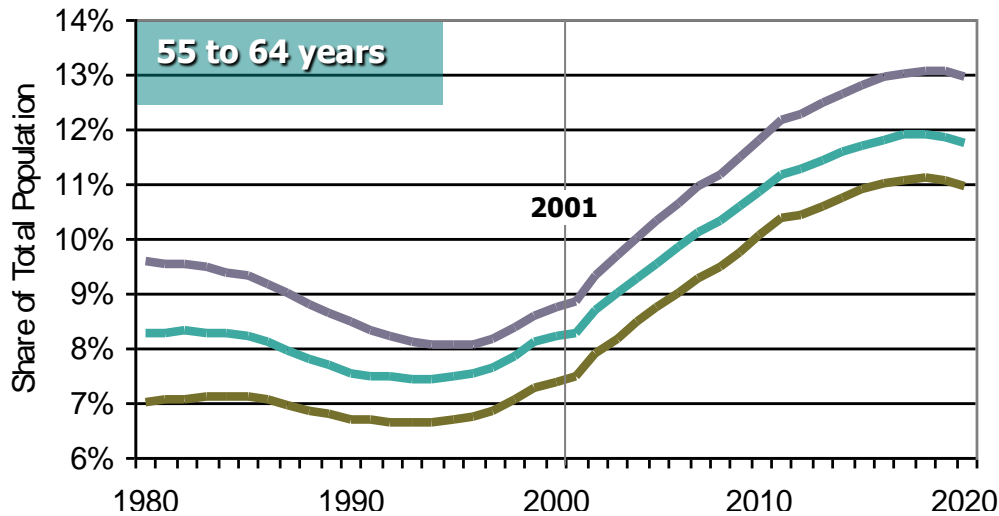
Tom Stellman
TIP Strategies, Inc.



Work to Date

- Data gathering and analysis
- Interviews and focus group meeting
- SWOT analysis
- Today: Economic development goals and strategies
- Next: Draft economic development plan with specific actions

Retirement Projections



— Houston PMSA — Texas — U.S.

- The Baby Boom generation (people born 1946 - 1964) numbered almost **83 million in 2000**, or **29.4% of the U.S. population**.
- The first wave of “Boomers” started reaching retirement age (55 years old) in 2001. Another shift will occur in 2011 as they turn 65.

Retiree Impact

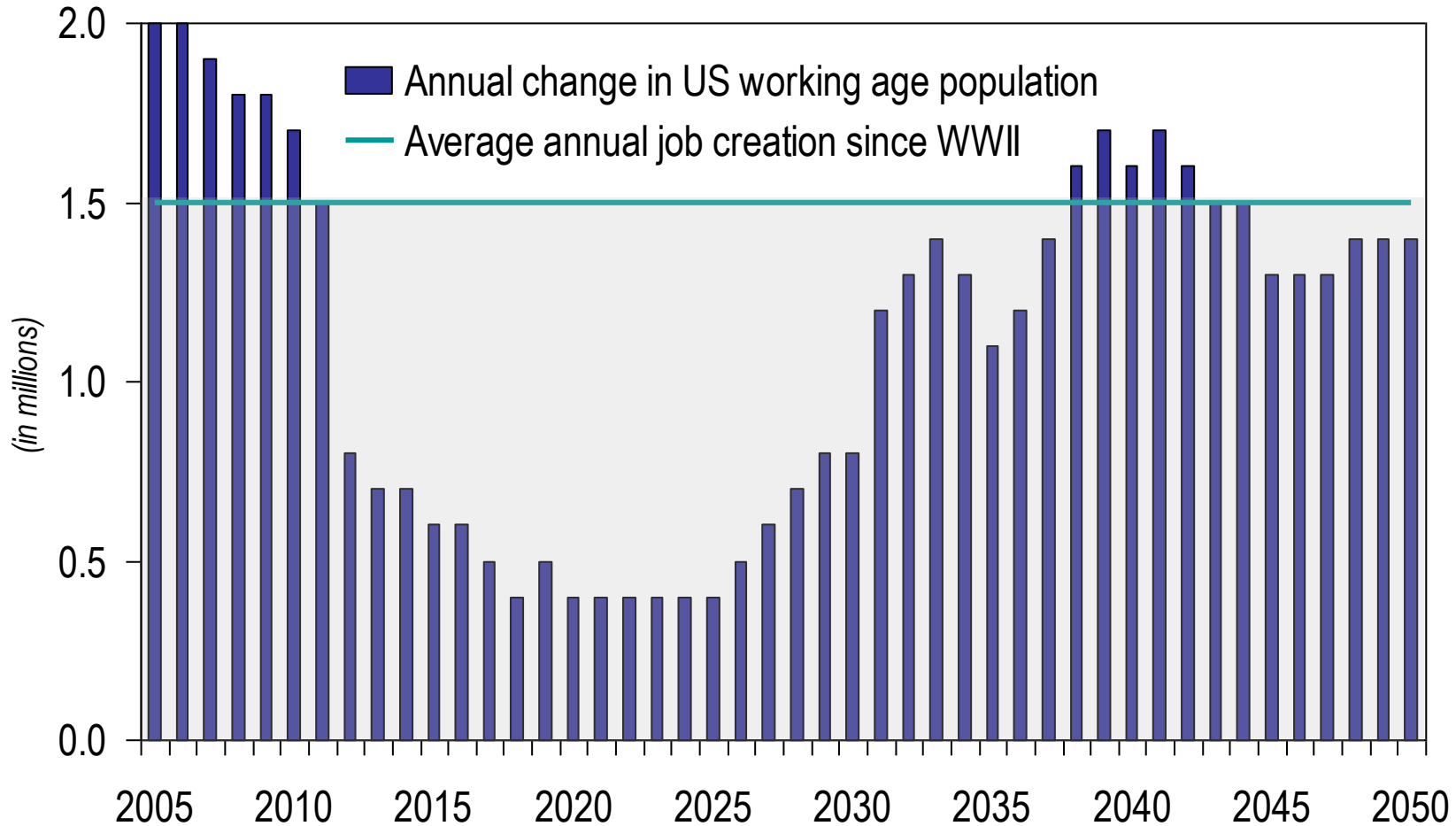
- Center for Economic Development (CED) at Jacksonville State Univ. reports that retirees:
 - control 77% of the nation's assets
 - maintain 80% of savings account balances
 - own 68% of all money market accounts
 - buy 48% of new automobiles
- According to one estimate, the economic impact of one relocating retiree on a community is equal to 3.7 factory workers.

Retiree Trends & Attitudes

- Working retirement is more common.
 - Retirement is more of a transition than a sudden event.
- Active in community
 - Life experience and connections make them important resource.
- Aging in place
 - Only one in five will relocate. Most prefer to stay near family, friends, & familiar places.
- Technology use
 - AOL-sponsored study found that almost half of people age 55+ have been on-line for 4 years



Approaching labor shortages



Source: TIP Strategies; US Bureau Labor Statistics; US Census Bureau



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“Hot Jobs – Cool Communities”

- Rebecca Ryan of Next Generation Consulting says:

“Communities work dog-hard to attract companies to their location, but that's only half the deal. Today, companies also rely on ... community leaders **to attract talent.**”

“Hot Jobs – Cool Communities”

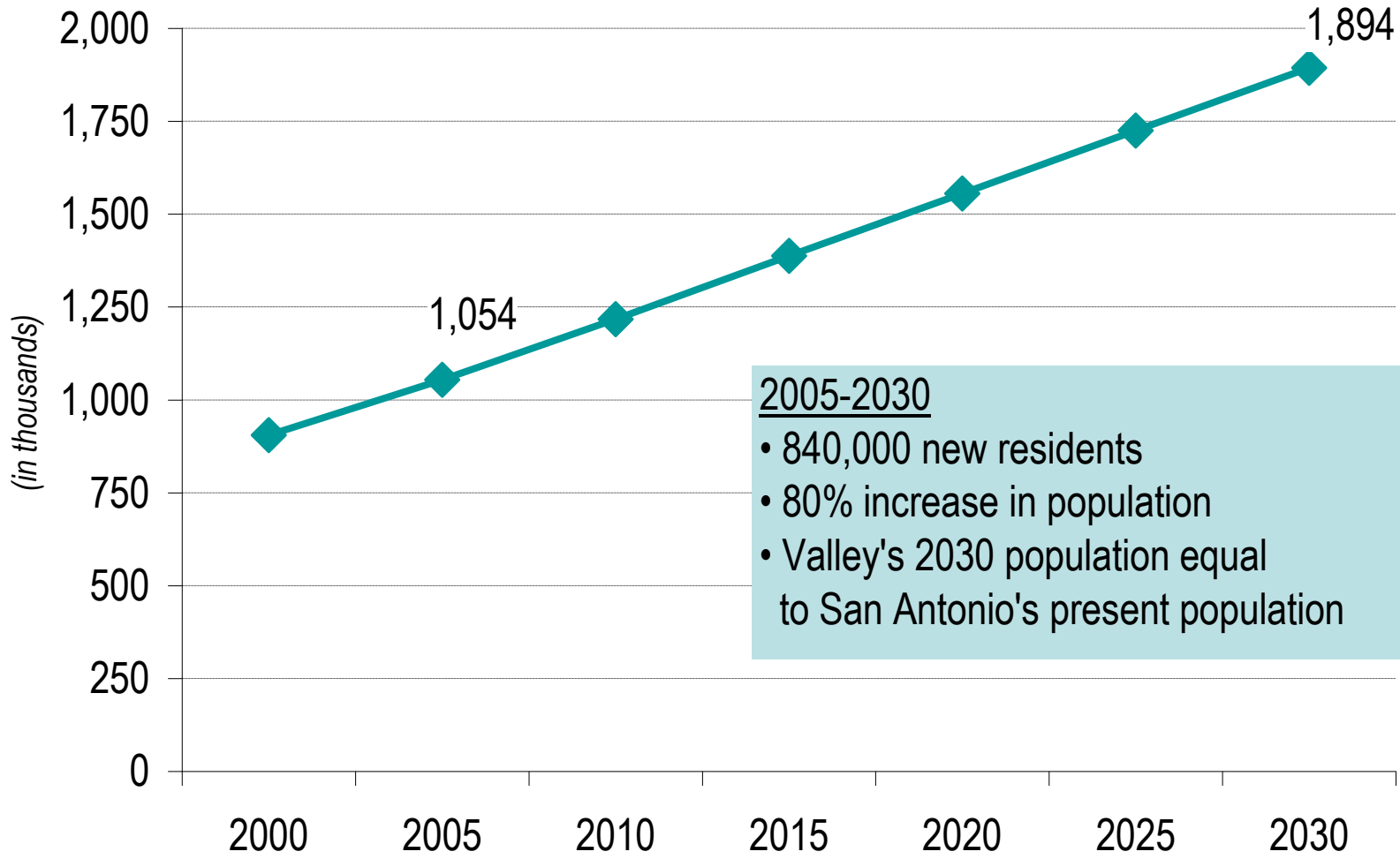
- Air and Water Quality
- Recycling Rates
- Car Pools, Commute Times
- Traffic
- Public Parks, Trails, and Recreation Areas
- Sunny Days
- Farmers Markets
- Natural Foods Stores
- Fitness Centers
- Vegetarian Restaurants
- Rates of Crime
- Rates of Cancer
- Heart Disease
- Obesity
- Smoking
- Life Expectancy

“Hot Jobs – Cool Communities”

- Fruit and Vegetable Consumption
- Work Sick Days
- Rates of Depression
- High Blood Pressure
- Unemployment
- Charitable Donations
- Cost of living
- Poverty
- Concentration of Designers, Artists, Authors, Musicians, Actors and similar Professions
- Percentage of Community Under 40
- Population Diversity (ethnic, religious, sexual orientation)
- Number of Bars, Nightclubs and similar per capita
- Number of Art Galleries, Museums, and similar per capita

Rio Grande Valley Population Projections, 2000-2030

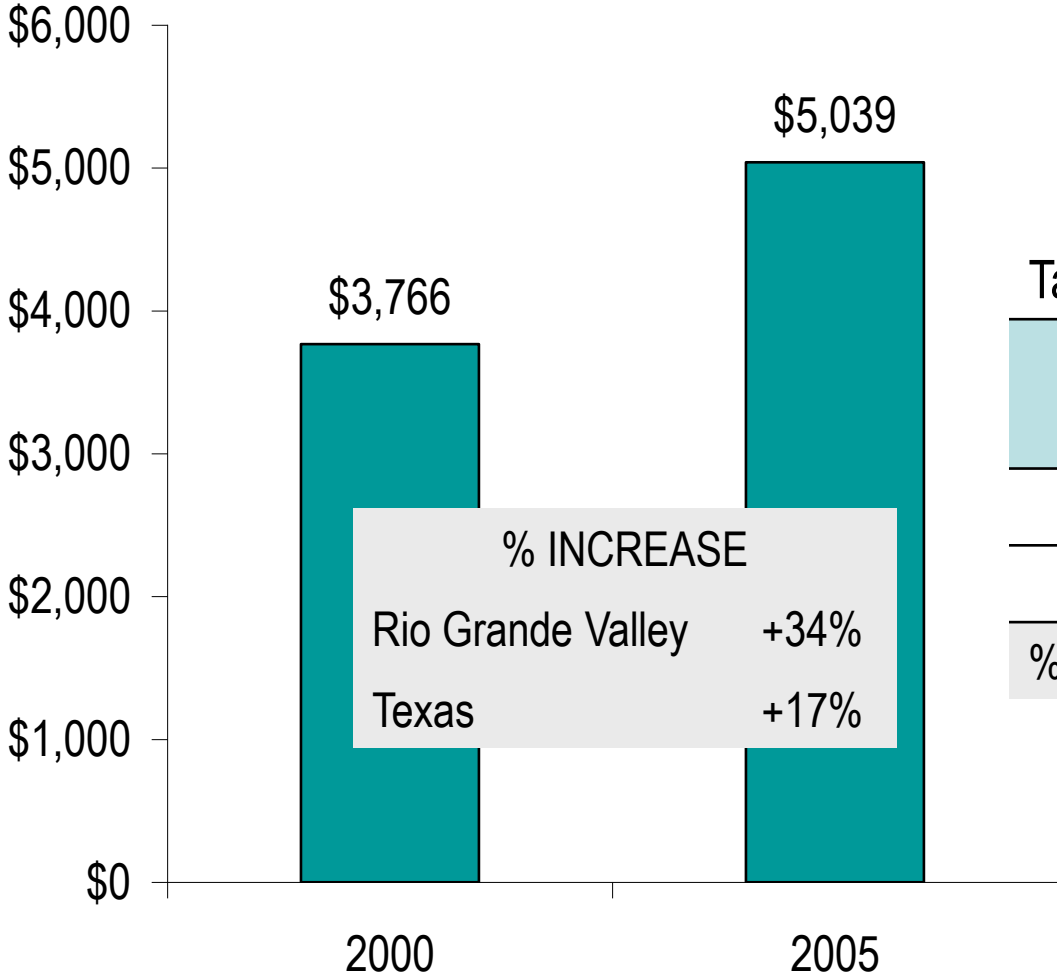
Cameron & Hidalgo Counties



Source: Texas State Data Center

Rio Grande Valley Taxable Retail Sales

(in \$ millions)

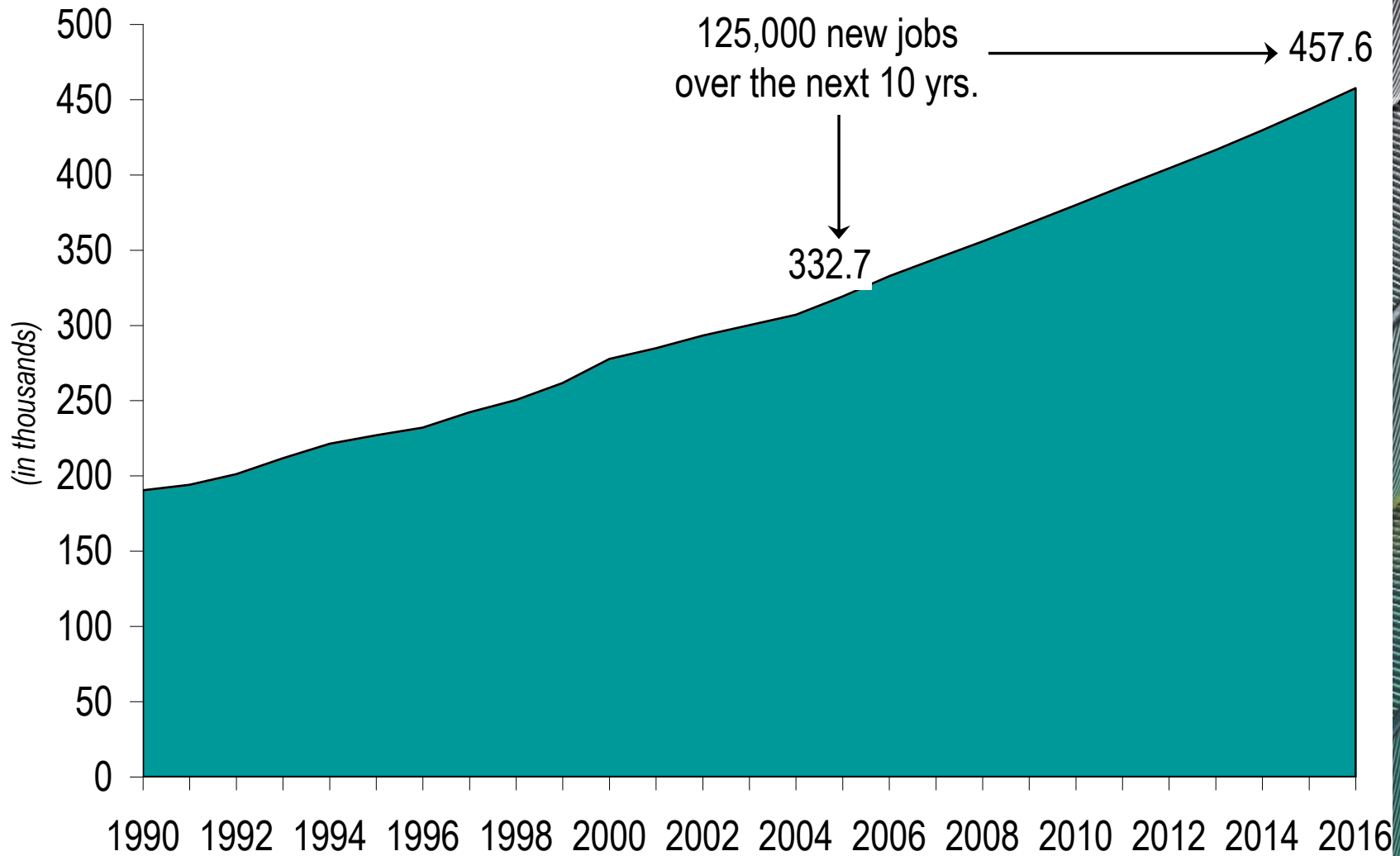


Source: Texas Comptroller's Office

Taxable Retail Sales per Capita

	Rio Grande Valley	Texas
2000	\$4,134	\$5,618
2005	\$4,769	\$6,009
% increase	15.4%	7.0%

Rio Grande Valley Employment, 1990-2016



Source: Economy.com



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Rio Grande Valley Employment Forecast

	2006	2016	% chg.	# chg.
“PROFESSIONAL” SECTORS	101,841	161,694	58.8%	59,854
Information	4,130	5,075	22.9%	945
Finance & Insurance	9,319	12,722	36.5%	3,403
Real Estate	2,502	2,750	9.9%	248
Prof. & Bus. Services	6,197	7,822	26.2%	1,625
Admin. & Support Services	14,979	21,077	40.7%	6,098
Healthcare	64,713	112,248	73.5%	47,535

Source: Economy.com

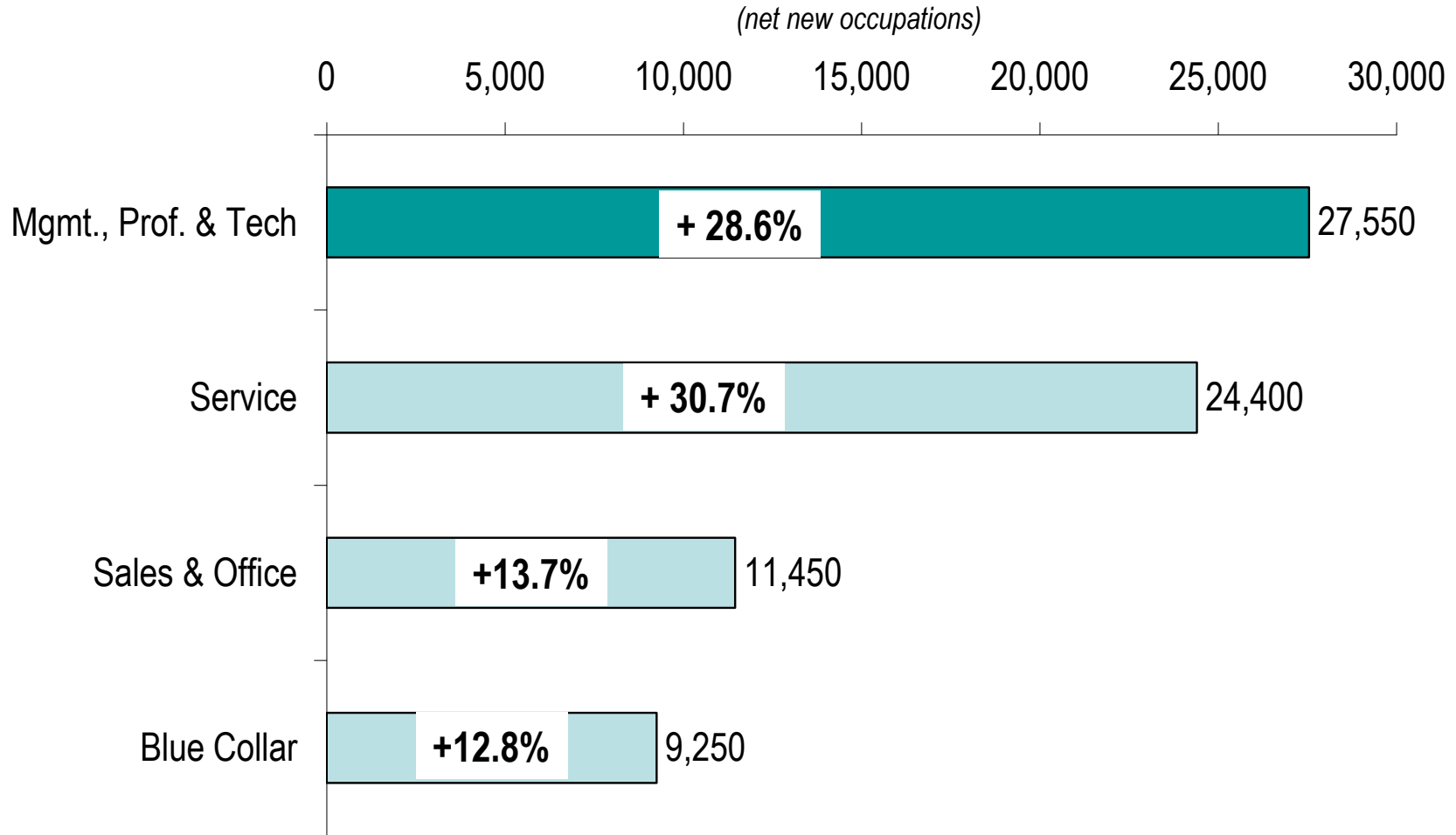
These sectors will account for nearly half of all new jobs in the Valley during the next 10 years.

CAMERON & HIDALGO COUNTY OCCUPATIONS, 2005

	Employment	% of total	Avg. Ann. Wage
ALL OCCUPATIONS	310,020		\$26,034
MGMT., PROFESSIONAL & TECHNICAL	74,930	24.2%	\$45,967
Management	10,120	3.3%	\$67,097
Business and Financial Operations	5,670	1.8%	\$41,816
Computer and Mathematical	1,440	0.5%	\$45,368
Architecture and Engineering	1,540	0.5%	\$42,422
Life, Physical, and Social Science	1,000	0.3%	\$42,993
Community and Social Services	3,520	1.1%	\$35,683
Legal	1,460	0.5%	\$59,588
Education, Training, and Library	31,790	10.3%	\$35,821
Arts, Design, Entertainment, Sports, and Media	2,170	0.7%	\$28,379
Healthcare Practitioner and Technical	16,220	5.2%	\$58,055
SERVICE	86,170	27.8%	\$16,716
Healthcare Support	15,880	5.1%	\$16,265
Protective Service	9,480	3.1%	\$32,093
Food Preparation and Serving	27,370	8.8%	\$14,457
Building and Grounds Cleaning and Maintenance	10,130	3.3%	\$15,987
Personal Care and Service	23,310	7.5%	\$13,738
SALES & OFFICE	84,770	27.3%	\$21,636
Sales and Related	32,460	10.5%	\$21,317
Office and Administrative Support	52,310	16.9%	\$21,835
"BLUE COLLAR"	64,160	20.7%	\$21,058
Farming, Fishing, and Forestry	3,550	1.1%	\$13,391
Construction and Extraction	12,100	3.9%	\$21,869
Installation, Maintenance, and Repair	11,160	3.6%	\$25,114
Production	15,620	5.0%	\$21,206
Transportation and Material Moving	21,730	7.0%	\$19,668



Occupational Projections, 2002-2012



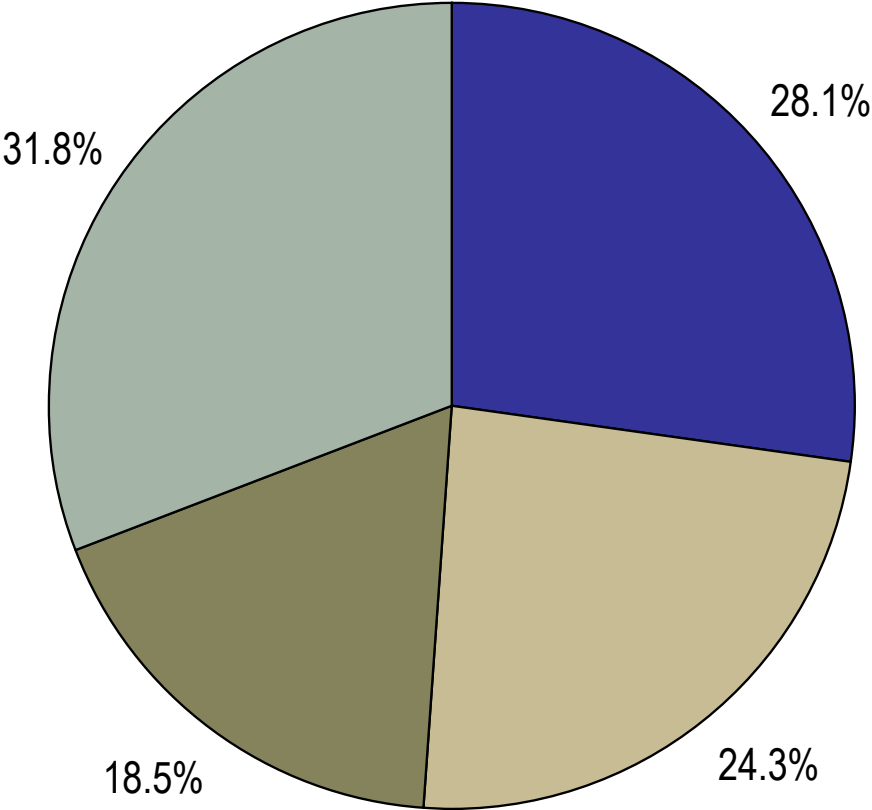
Source: Texas Workforce Commission



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Share of All New Jobs in US, 2006-2016

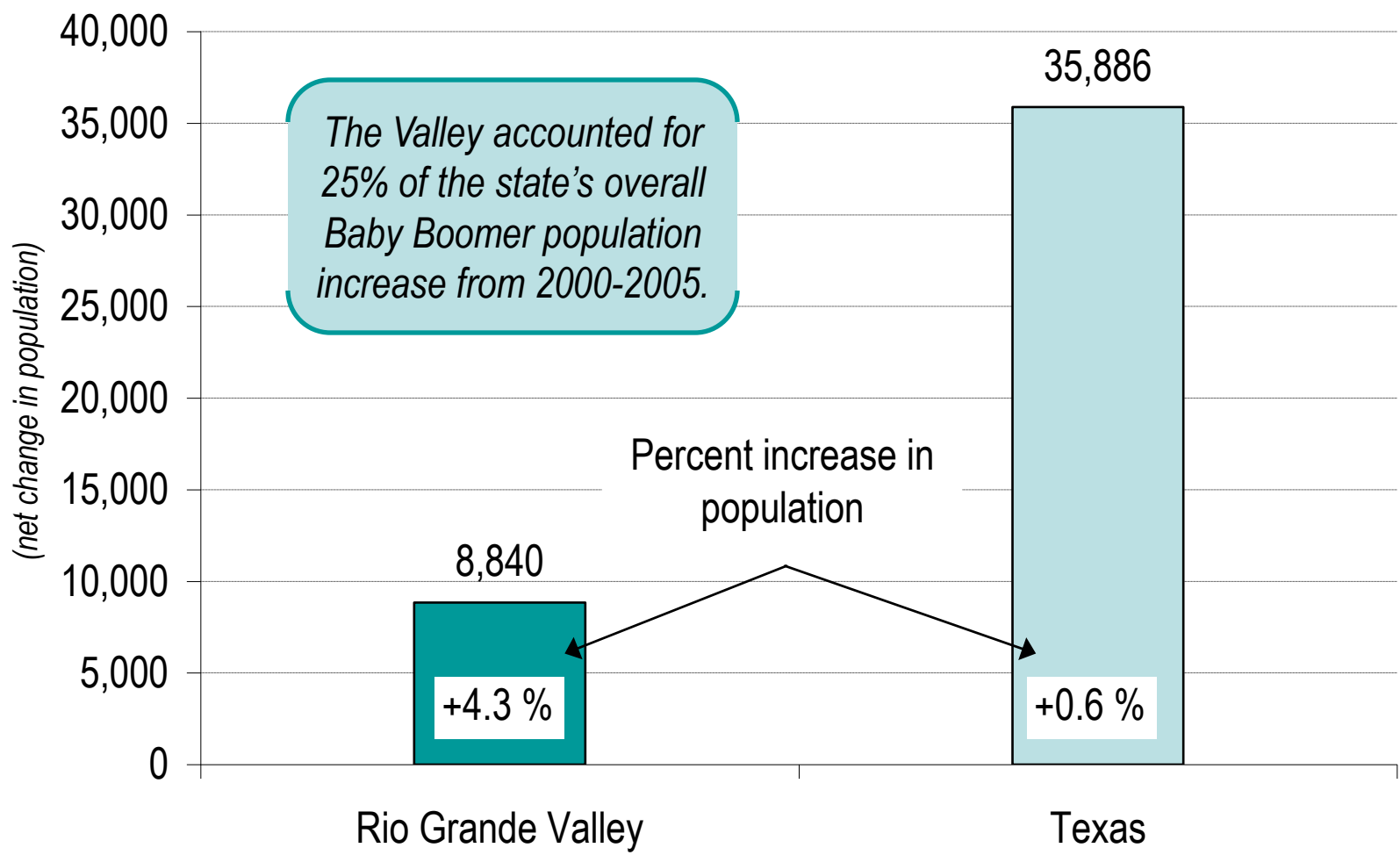
Two-thirds of all new jobs from just three major sectors.



- Health Services
- Prof. & Business Services
- Leisure & Hospitality
- All Other Sectors Combined

Source: Economy.com

Increase in Baby Boomers, 2000-2005



Source: US Census Bureau



GOALS & STRATEGIES



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STRATEGIC FRAMEWORK

ZOOMERS

- active
- entrepreneurial
- quality of place

SPI AMENITIES

- sun & surf
- access
- new & authentic

South Padre Island

RGV MARKET

- strong growth
- increase affluence
- talent shortage

SERVICE TARGETS

- Prof. services
- Healthcare
- Consulting



Specific Initiatives

- **Joint marketing (with Pt. Isabel/Laguna Vista & with hotels/developers)**
- **Image campaign (external & internal)**
- **Cruise line**
- **Off-season visitors (eco-tourism/special events)**
- **Active adult retiree market**
- **Retail strategy/mall redevelopment**
- **Funding for economic development**
- **Zol development**



Specific Initiatives (cont.)

- **Convention center expansion/amphitheater**
- **Community center/town square**
- **Entertainment district expansion**
- **Casino**
- **Full-service hotel**
- **Isla Blanca redevelopment**
- **Expansion of business support & leadership programs**
- **Second bridge**
- **Parking garage**



ECONOMIC DEVELOPMENT GOALS

- **GOAL 1:** Increase the number of permanent, retired, and seasonal residents.
- **GOAL 2:** Increase spending throughout the year and during the off-season.
- **GOAL 3:** Leverage neighboring communities to meet SPI's long term needs.



goal one: **PERMANENT RESIDENTS**

- Target “Zoomers” to establish residency and business on island
- Convention center as marketing vehicle
- Recognize Port Isabel & Laguna Vista as part of SPI product

Zoomer Profile

- Baby boomers that are
 - healthier,
 - wealthier, and
 - more engaged in their businesses and social networks
- Interested in:
 - high quality
 - authenticity (Keep Austin Weird)
 - recreation & eco-tourism



Zoomer Strategy

- Association marketing
 - Legal, financial, accounting, management
- Convention marketing
 - Responsive and pro-active targeting
- Establish professional network (example of Institute of Senior Professionals of Okaloosa County, Florida)

goal two: INCREASE SPENDING

- Entertainment/culture/dining
 - Entertainment district
 - Showcase arts & promote live music (amphitheatre)
 - Target niche retail
- Enhance business assistance & entrepreneurship
 - Management consulting (retail/services)
 - Entrepreneurship assistance
 - Finance assistance



goal two: INCREASE SPENDING (cont.)

- Aggressively market island's unique character and assets
 - Position island as destination for eclectic experience (fine dining and beachcombing)
 - Recognize significance of valley growth and market directly to valley professionals (zoomers)

goal three: **REGIONAL STRATEGY**

a.k.a....The island is not an island

- Recognize that SPI – Port Isabel – Laguna Vista are complementary labor, housing, and retail markets
- Consider joint mobility, housing, development, and marketing planning/strategies.



DISCUSSION



Thank you



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<Theory Into Practice>

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