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
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.

Source: U.S. Census Bureau, Economy.com
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
“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

- 2005-2030
  - 840,000 new residents
  - 80% increase in population
  - Valley's 2030 population equal to San Antonio's present population

Source: Texas State Data Center
Rio Grande Valley Taxable Retail Sales

(in $ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rio Grande Valley</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$3,766</td>
<td>$5,618</td>
</tr>
<tr>
<td>2005</td>
<td>$5,039</td>
<td>$6,009</td>
</tr>
</tbody>
</table>

% INCREASE
- Rio Grande Valley: +34%
- Texas: +17%

Source: Texas Comptroller's Office

Taxable Retail Sales per Capita

<table>
<thead>
<tr>
<th>Year</th>
<th>Rio Grande Valley</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$4,134</td>
<td>$5,618</td>
</tr>
<tr>
<td>2005</td>
<td>$4,769</td>
<td>$6,009</td>
</tr>
</tbody>
</table>

% increase
- Rio Grande Valley: 15.4%
- Texas: 7.0%
Rio Grande Valley Employment, 1990-2016

125,000 new jobs over the next 10 yrs.

Source: Economy.com
## Rio Grande Valley Employment Forecast

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

*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

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

Occupational Projections, 2002-2012

(Net new occupations)

- Mgmt., Prof. & Tech: +28.6% (27,550)
- Service: +30.7% (24,400)
- Sales & Office: +13.7% (11,450)
- Blue Collar: +12.8% (9,250)

Source: Texas Workforce Commission
Two-thirds of all new jobs from just three major sectors.
Increase in Baby Boomers, 2000-2005

The Valley accounted for 25% of the state’s overall Baby Boomer population increase from 2000-2005.

Source: US Census Bureau

Percent increase in population

Rio Grande Valley

Texas

Source: US Census Bureau
STRATEGIC FRAMEWORK

**ZOOMERS**
- active
- entrepreneurial
- quality of place

**SPI AMENITIES**
- sun & surf
- access
- new & authentic

**RGV MARKET**
- strong growth
- increase affluence
- talent shortage

**SERVICE TARGETS**
- Prof. services
- Healthcare
- Consulting

South Padre Island
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

TIP Strategies, Inc.
<Theory Into Practice>
7000 N. MoPac, Ste. 305
Austin, TX 78731
512.343.9113 tel
512.343.9190 fax
www.TIPstrategies.com
tom@tipstrategies.com
alan@tipstrategies.com