

## Memorandum

To: Dr. Norman Bellard and Ana Pereda

From: Steve Budd

Subject: Guidance for the South Park Neighborhood Committee

Date: April 26, 2018

The following are my observations as it relates to the Scope of Work as identified in the Memorandum of Understanding between the International Economic Development Council and the Beaumont Chamber of Commerce.

### Scope of Work:

- **Best Practices to identify neighborhood strengths / weaknesses and needs / challenges**
  - The development of a five-year strategic plan for the re-birth of the South Park Neighborhood. Key elements of the plan are:
    - Real Time Information - An assessment of the neighborhood conditions in South Park. Key data points are home ownership percentages, condition of properties, profiles of residents (i.e. ages, household size, income levels, etc.) and crime statistics. Also an assessment of the infrastructure needs to be performed. A special focus should be paid to street conditions, quality of lighting, water / sewer and storm water quality.
    - Strategic Partnerships – Critical to involve major stakeholders in the neighborhood. Lamar University has played the leadership role to date and needs to continue to play a major role. The City of Beaumont Mayor, City Manager and the Planning Department are key participants to the success of the neighborhood rebirth. The Beaumont Chamber of Commerce, the South Park Neighborhood Association, Lamar Technical School are just a few of the organizations that have committed participated in this effort.
  - **Increase citizen involvement in neighborhood activities**
    - The social and civic health of the community is vital to successful physical and economic development initiatives for the South Park project.
    - A community organizing effort needs to be established with the goal of starting up a neighborhood association. This will be the most effective for the neighborhood to prioritize its needs and to provide input to the five-year strategic plan.

- **Performance benchmarks, key performance indicators in the redevelopment process**
  - The reason it is so important to perform an assessment of neighborhood conditions in South Park is to generate a base line for performance measurements.
  - This assessment and the strategic plan process will guide the group in the development of the vision, goals and objectives for the future. Based on my observations I would suggest the following as key performance indicators:
    - A vision statement that is inspirational, but realistic to what can be accomplished in the time frame identified.
    - Home ownership goal (percentage increase)
    - Conditions of the existing housing stock (improvement)
    - Demolition targets for vacant structures
    - New housing units (owner occupied or rental)
    - Crime statistics (reduction)
    - Infrastructure goals (lighting, street pavement conditions, side walks, drainage conditions, etc.)
    - Commercial district revitalization (type of services)
    - Think Big – i.e. farmers market, grocery store serving healthy food, urgent care facility, community center etc.
  - **Share neighborhood success stories**
    - Dayton, Ohio Genesis project attached
  - **Development of a Community Development Organization:**
    - A non-profit CDC would be a perfect organization to lead the South Park redevelopment project. A Board (Lamar University, Beaumont government, local business leaders, South Park neighborhood, etc.) and a committee structure would provide governance structure.
    - A staff of two to three would be sufficient in the early years of the project. The skill sets of the staff would be dependent on the goals and objectives of the strategic plan. A loaned executive program with key stakeholders would be a way to fund the staff cost in the early years.
  - **Financing Sources to Explore for the South Park Project**
    - U.S. Department of Housing Urban Development - <https://www.hud.gov> a number of programs can be accessed by the Beaumont government. The following need to be explored:
      - Disaster Recovery Grants
      - Block Grants – housing rehabilitation loans and business loans
      - Federal Housing Administration (FHA),

- Single Family Housing
    - Multifamily Housing
  - Healthcare Programs
  - Public Housing Programs
- U.S. Department of the Treasury, Community Development Financial Institutions Fund – <https://www.cdfifund.gov>
  - Technical Assistance Funds to establish and grow loan programs that benefit businesses serving low to moderate-income neighborhoods and critical community development projects.
  - Financial Assistance Awards to assist in the capitalization of loan programs.
  - Healthy Food Financing Initiatives, Financial Assistance awards are targeted for these initiatives.
- New Market Tax Credit Program, the NMTC Program incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities.
  - Program of the CDFI Fund - <https://www.cdfifund.gov>
  - Certified Development Entities (CDE's) are the gate keepers for this program, Texas has two statewide CDE's,
    - PeopleFund NMTC LLC, based in Austin
    - Texas Mezzanine Fund LLC., based in Dallas
    - National funds cover Texas too
  - Program can be utilized by for profit, non-profit, university's and government projects
- U.S. Department of Commerce, Economic Development Administration – <https://www.eda.gov> a number of programs can be accessed by the Beaumont government. The following need to be explored:
  - Disaster Recovery
  - Public Works
  - Economic Adjustment
  - Planning
  - Local Technical Assistance

# Houston East End Maker Hub Interview Findings Interim Report

By: Gary N. Conley, IEDC Volunteer

May 1, 2018

## I. Background

The International Economic Development Council (IEDC) entered into an agreement with the Economic Development Administration (EDA) of the US Department of Commerce to provide volunteer economic disaster recovery services to Texas communities impacted by Hurricane Harvey in 2017.

Pursuant to this agreement, the City of Houston requested IEDC to provide expert services related to the economic feasibility and risk analysis of the proposed East End Maker Hub project as a component of Mayor Sylvester Turner's "Complete City" program. As described in the scope of work agreed upon between the City of Houston, EDA and IEDC it was observed that:

The financial viability and ultimate economic impact of the City's East End Maker Hub largely depend upon there being sufficient demand for industrial space among existing and start-up manufacturers in the Houston area to fully absorb the space within the facility. Lack of information regarding the demand of small industrial space users currently appears to be an obstacle to securing financial support for the project.

Accordingly, the following work tasks were identified for execution to enhance understanding of the demand for industrial space among Houston area small manufacturing enterprises and the relative attractiveness of the space to made available at the East End Maker Hub to small manufacturers:

1. Consolidation of existing demand information by UP CDC with review and oversight by the IEDC Volunteer,
2. Gathering of additional demand information through a survey to be designed jointly by IEDC Volunteer and UP CDC and conducted by UP CDC, and
3. Individual and group interviews of prospective tenants to be conducted as part of the site visit by the IEDC Volunteer to include:
  - a. Industrial Real Estate Brokers or related Professionals, Private Real Estate, Investors, Venture Capital or Finance professionals,
  - b. Representatives of private industry groups assisting or serving the small manufacturing community,
  - c. Prospective small manufacturing tenants, and
  - d. Economic and community development professionals.

To assist in the performance of the work tasks identified above, the IEDC selected Gary Conley, an IEDC Life Time Member with extensive industrial real estate and manufacturing experience (see Exhibit A: Gary N. Conley Biography, attached), to provide the expert IEDC volunteer services as contemplated in the economic disaster recovery agreement between EDA and IEDC.

## **II. Interview Methodology**

This report summarizes the findings of interviews of small manufacturers, real estate professionals and manufacturing service organizations conducted pursuant to performance of work task (3) described above.

For most industries, the Small Business Administration of the US Department of Commerce defines small manufacturing enterprises (SME's) as manufacturing businesses with 500 or fewer employees and average annual receipts of \$7.5 million or less. For purposes of its Manufacturing Extension Partnership program (MEP) however, the US Department of Commerce further defines the subset of small manufacturing enterprises with fewer than twenty employees as very small manufacturing enterprises (VSME's). It is this later segment of very small manufacturing enterprises that comprise the proposed target market for the East End Maker Hub and which were the focus of the interviews conducted as part of the IEDC project.

A total of 30 interviews were conducted. All but two of the interviews were conducted in Houston during the week of April 23-27, 2018. Twenty-six of the interview were conducted face-to-face while four were conducted by phone. A listing of the persons interviewed is provided in Exhibit B attached.

A detailed discussion guide was developed (See Exhibit C) and utilized to guide discussion in each interview. The discussion guide was designed to elicit insights to the following questions:

1. What are the space requirements of Houston area VSME's?
2. How difficult is it for Houston VSME's to fulfill their space requirements?
3. How attractive is the East End as a VSME location?
4. What is the relative attractiveness of the proposed East End Maker Hub as compared with other industrial space in the market place?

## **III. Findings from Interviews**

### **A. What are the space requirements of Houston area VSME's?**

When VSME interviewees were asked about their space requirements their top of mind responses related to space costs, or more specifically, the amount of out-of-pocket cash expenditures required to start-up operations in a space including capital buildout required for the space and the amount of the monthly rent check that will thereafter need be forwarded to the landlord.

In evaluating the affordability of industrial space, interviewees indicate that VSME's take into consideration the following factors:

1. Square foot rental rate;
2. Start-up costs, namely any moving, set-up or tenant improvement expenditures required to make the space useable for the VSME's operations;
3. Total square footage to be leased, namely, extent to which the area under the lease is the right size to meet the VSME's needs without obligating it to lease more space than needed or unusable; and

4. Term of the lease, namely whether the duration of the lease provides the VSME sufficient time to recover start-up costs and provide for an acceptable duration of stability in operations before the VSME might be obligated to pursue replacement space elsewhere.

Houston VSME's typically are undercapitalized and often severely so relative to both the payroll-to-payroll operating cycle of their businesses and to their ability to finance the execution of new or increased sales opportunities that come their way. Said another way, Houston VSME's are experts in "making do" with deficiencies, inefficiency and hardships in the space they occupy to conserve cash to meet as best they can next week's or month's payroll, operate their businesses and take advantage of new opportunities. Houston VSME's are "cash starved" to such an extent that they are willing to occupy the lowest cash depleting spaces in the urban area even at great non-cash expense to their businesses in terms of the production inefficiencies and inconveniences of the spaces they occupy.

Given the overriding cash consciousness of Houston VSME's, all discussion of the physical attributes of space requirements were subordinate to cash outlays. That said, the physical space requirements of the VSME's interviewed typically fell within the domain of minimal specifications of buildings designed for light manufacturing and warehousing and well within the physical attributes of the East End Maker Hub:

1. Fourteen-foot ceiling heights,
2. 100-150 pounds per square foot floor loading,
3. 25 feet by 30 feet column spacing,
4. Reliable high voltage power for welding equipment and light machine tools
5. Truck access for grade level loading,
6. Moderate lighting and air circulation requirements,
7. A small office area, and
8. A large open and unairconditioned area for production and storage.

The most demanding requirement specified by a VSME interviewee was for an overhead crane, and even this requirement might have been met by either the use of gantry cranes or avoided by an alternative building layout.

A frequently mentioned but typically unmet desire expressed by VSME's was access to "flex space", namely space that could be rented temporarily on an as needed basis to accommodate surges in business activity and short duration large projects demanding more space than available at the VSME's primary location.

#### **B. How difficult is it for Houston VSME's to fulfill their space requirements?**

VSME's interviewed reported that there are literally no buildings in the Houston area specifically designed for low-cost occupancy by VSME's. Likewise, no real estate brokerages specialize in providing leasing support to this market segment. VSME report that property searches are self-conducted, take between three to six months and entail the VSME's searching for and qualifying properties on their own. Diligent searches are necessary to find properties with both affordable rents and minimally acceptable start-up costs. Finding affordable spaces is essentially catch as catch can.

The interviews indicate that VSME's might best be described as the tenants of "last resort" within the Houston industrial market. Most industrial buildings in the Houston area inventory are single tenant buildings and do not lend themselves to subdividing into smaller spaces. Industrial buildings only

become available to VSME's after they have filtered through the hierarchy of more prosperous users and have become in substantial disrepair, often being held by owners anticipating speculative future gains as waves of gentrification permeate within the Houston real estate market.

Many VSME's interviewed reported that affordable spaces were only available on short term leases (18-30 months) from property owners motivated by intent to apply rental income to minimize near term property holding costs in anticipation of eviction of the VSME's and conversion of properties for higher income uses.

Properties occupied by VSME's under such leases are often in significant disrepair, inefficient from a manufacturing prospective, and appear problematic in terms of meeting with safety, health and environmental standards. As a consequence the VSME often must spend a significant amount of capital to make these properties suitable for VSME operations, while at the same time signing short term leases. This creates high risk circumstance for the VSME that they will not be able to recover their investment. Short term leases also make it difficult to spend capital for expansion and hiring new employees. Banks will not loan money to an VSME without a long-term lease. Moreover, leases often include early termination provisions by landlords that place the VSME's at even greater risk of business destabilizing early eviction.

While the speculative aspects of the Houston real estate market may ultimately result in significant gains in real estate values, to the extent the VSME's are a major source of revenue to support the holding of properties for speculation, such gains impose burdens upon the cultivation and success of the VSME and start-up enterprise communities. Given the powerful and robust dynamics of the Houston economy and real estate market, the City of Houston and greater leadership community may need to confront measures to conserve spaces and properties for start-up and VSME operations that contribute mightily to economy but could be priced out of existence by market forces.

### **C. How attractive is the East End as an VSME location?**

The VSME's interviewed consider the East End as a highly desirable location for their businesses. Advantages of the East End cited by VSME's included the following:

1. The East End offers ready access to the downtown, major universities, the Hobby Airport, inner belt locations, markets and potential customers.
2. The East End has excellent access to interstate highways and regional public transit services.
3. The East End offers proximity to blue collar residential communities, skilled workers, production laborers, and engineering and manufacturing technology students at nearby colleges and universities.
4. The East End has many small manufacturing establishments representing a broad diversity of manufacturing technologies, production assets, manufacturing crafts and capabilities providing a robust and diverse supplier base.
5. The East End has a broad array of education and training providers to support workforce development as well as social service providers to support the employment of low-income and disadvantaged individuals.

6. The concentration of manufacturers in the East End lends itself to rapid communication and transfer of knowledge among VSME's to support manufacturing problem solving, collaboration, and cross referrals of business opportunities.
7. The East End offers affordable residential opportunities for business owners and employees near their VSME locations.

Given that the Houston region is otherwise a large region with widely dispersed manufacturing locations, the proximity of suppliers, customers, and workforce offered by the East End is a very significant consideration for VSME's. A single VSME employee spending two hours or more on a freeway to meet with a customer or access a supplier represents a high percentage of non-productive time to an VSME's which by definition employ fewer than 20 persons and often many fewer.

**D. What is the relative attractiveness of the proposed East End Hub as compared with other industrial space in the market place?**

The proposed East End Hub far exceeds the attractiveness of alternative properties in the East End for potential occupancy by VSME's for the following reasons:

1. The project represents the only property in the marketplace specifically designed for VSME occupancy.
2. The project will provide finished, high quality space meeting all the physical and power requirements of VSME's, far superior from a production efficiency and operator convenience standpoint to any other industrial locations accessible to VSME's within the market place.
3. The quality of the space provided will result in minimal start-up costs for VSME's compared to other properties in the market and the lower-than-market rates charged will approach the lowest VSME rental rates of alternative substandard properties offered by speculative landlords.
4. The East End Hub will be able to precisely size lease space to meet the VSME's needs without obligating it to lease more space than needed or unusable.
5. The terms of will afford VSME's sufficient time to recover start-up costs and provide for an acceptable duration of stability in operations before the VSME might be obligated to pursue replacement space elsewhere.
6. VSME's will have access to "flex space" within the East End Hub rentable on a short-term, as needed basis to accommodate surges in business and support short duration large projects demanding more space than available at the VSME's primarily location.
7. VSME's will also have access to a variety of East End Hub building services typically unavailable to VSME's including meeting rooms, food and beverage vending services, and employee amenities.

In addition to the above, the co-location of TXRX in the Hub will provide additional services and conveniences that include:

1. Access on an as needed basis to a wide variety of manufacturing and laboratory assets and specialty high technology test equipment to support fulfillment of custom projects with manufacturing asset requirements seldom needed by the VSME for fabrication of new or specialized tooling, new product development and prototyping, and enable fulfillment of surges in production demand and larger than normal projects;

2. Access to TXRX manufacturing technicians and skilled tradespersons to assist in product design, manufacturing problem-solving, short-run and small batch production, and training and instruction of VSME employees as required on individual jobs and projects; and
3. Access to TXRX craft and technical skilled training programs for incumbent employees and training program graduates for new and/or entry level employees.

Further, the East End Hub will offer intangible but important values to VSMEs including the ability to frequently interact with other VSME owners and employees and the benefit from the transfer of information, the stimulation of creativity, and identification of new business opportunities that such interaction provides. Indeed, several interviewees cited this aspect of the East End Maker Hub as its most attractive feature.

#### **IV. Analysis**

A primary purpose of this IEDC volunteer recovery service engagement was to enhance understanding of the demand for industrial space among Houston area small manufacturing enterprises (VSME'S) as well as the relative attractiveness of the space to made available by the East End Maker Hub to small manufacturers.

While data does not exist enabling a precise quantification of the aggregate future demand among Houston area VSME's for industrial space in the East End Hub, convincing evidence exists that demand will be sufficient to meet the lease-up schedule contained in the East End Maker Hub business plan and pro forma. Proof points include:

1. The East End Maker Hub will provide finished, high quality industrial space meeting all the physical and power requirements of VSME's, so very superior from a production efficiency and operator convenience standpoint to any other industrial locations accessible to VSME's within the market place and at such favorable and flexible lease terms and amenities, that it is assured of being the most attractive East End VSME location.
2. UP CDC has received letters of intent or very strong interest from 20 prospective tenants for 65,000 square feet in addition to the 68,380 square feet committed for use by TXRX, for a total of 133,000 representing some 44% of the total proposed leasable area and 85% of the project proforma's year 1 lease target.
3. UP CDC is in discussion with several businesses and organizations included in the IEDC volunteer engagement interviews that would occupy significant amounts of space in addition to the 133,000 square feet for which expression of interest are currently in hand.
4. UP CDC has highly competent real estate development management gained through participation in the development of over \$200 Million in multifamily, mixed use and industrial development and will be able to commence a very aggressive and professional leasing program upon purchase of the 6501 Navigation property and the beginning of reconstruction.
5. UP CDC management has extensive experience in management, regulatory compliance and oversight of publicly funded projects gained through participation in various projects receiving over \$29 million in federal funding.
6. UP CDC will be able to leverage a broad and supportive network of VSME's, VSME support organizations, East End community and Houston area economic development organization in its leasing program, including City of Houston Mayor's Office of Economic Development, City of Houston Housing and Community Development Department, Greater Houston Partnership,

Houston Exponential, East End Management District, TMAC, SCORE, Greater Houston Manufacturers Association, TXRX, and numerous individual VSME's.

7. UP CDC will be able pursue VSME tenant prospects from a large and diverse set of potential tenant pools including the large number of VSME's located in poor quality space within the East End, VSME's being displaced from rapidly gentrifying neighborhoods elsewhere in the Houston area, and VSME's and other start-up companies being co-located by private incubator and investment initiatives.

## V. Conclusions

A final part of the IEDC volunteer assignment was to provide insights regarding the financial risk of the proposed East End Maker Hub project as a recipient of a City of Houston Community Development Block Grant (CDBG) 108 loan as a component of Mayor Sylvester Turner's "Complete City" program for the City of Houston.

The cost of the project is estimated at \$9,090,000 for acquisition, \$17,006,000 in hard costs, and \$7,876,746 in soft cost for a total project cost of \$32, 691, 837.

The current proposed capital stack of the East End Hub projects contemplates the following sources and uses of funds:

<b>Funding Sources</b>	<b>Amounts</b>
<b>Capital Contributions</b>	
New Market Tax Credits	\$ 7,437,964
UP CDC Contribution	\$ 1,352,364
In-kind TXRX Funding	\$ 148,481
COH/CDBG/EDA Grant	\$ 1,000,000
Gap Funding	\$ 5,000,000
<b>Debt Funding</b>	
Section 108 Loan	\$ 17,753,053
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 32,691,862</b>

Within this capital stack the City of Houston 108 Loan is the only debt component. From a security standpoint, all other sources of funding are subordinate to the Section 108 loan and none of the other components require repayment.

Robert O. Coe, II, Certified General Real Estate Appraiser' evaluation of the property upon completion is \$33 million. On this basis the City's loan is collateralized at a loan to value ratio approaching 50%. Another important consideration is that the New Market Tax Credit (NMTC) Component while not requiring repayment is a project liability amortized over a seven-year period. As a result, for all practical purposes, in the event of default the City of Houston will be precluded from foreclosing for the duration of the seven-year NMTC amortization period. From a purely financial point of view, the City's period of

greatest financial risk is an inability to cure a default through a foreclosure in the first seven years of the project, a period over which the City would otherwise be expecting to receive loan repayments totaling approximately \$8 million.

Three factors mitigate this risk:

**A. The City is not funding the 108 loan with its own resources but rather through future CDBG revenues not otherwise available for investment.**

By using the 108 program the City is leveraging future CDBG revenues not otherwise available for expenditure to jump-start a major economic development project. There are no opportunity cost associated with use of this funding. The risk to the City in the event of partial non-payment by the project over its initial seven years of operations is that the City will be deprived of the use of these revenues to fund CDBG eligible causing the city to make up a payment shortfall for that year.

Over the entire seven years anticipated mortgage payments by the East End Maker Hub total approximately \$8 million as compared with anticipated City of Houston CDBG revenues over the same period of \$315 million. The \$8 million represent 2.5% of the City's anticipated \$315 million of the City's CDBG funding over the period, a relatively small percentage well within the City's capacity to make budget adjustment in commitments to alternative CDBG funding opportunities. Said another way, total default of all repayments by the HUB would represent just slightly more than a 2-to 3% variation in the City's ability to fund current CDBG programs.

Given escalating property valuation and rent level trends in the Houston area and the East End it would seem unlikely that the City would be unable to recover the initial loan value with interest through foreclosure in the unlikely event the East End Maker Hub were unable to fulfill its repayment obligation in the early years. However the city exposure in any given year is limited to the agreed repayment amount for that year with HUD. The city could also decide not to foreclose if the project were reaping economic benefits for the city and the neighborhood.

**B. Economic benefits will be derived by the City and the broader community regardless of the HUB's immediate financial success.**

An IMPLAN economic impact study was conducted on the East End Innovation and Maker Hub. Results of the study prove that this project will have a powerful economic impact on the City of Houston focused on the East End and surrounding inner city neighborhoods. Based on an IMPLAN analysis, at stabilization, in addition to over 400 direct jobs, the facility will create over 300 jobs indirect and induced jobs with an annual total economic impact of just over \$150 million per year. The project will also generate more than \$3 million in local government receipts annually.

During construction, over 150 jobs will be created (direct, indirect and induced) with an economic impact of \$27 million. During construction, over half-a-million dollars in government receipts will be generated as well. Based on the above, over the initial seven years of the project

local government receipts from the HUB project will approach \$16 million more than twice the amount of expected loan repayments during that period.

## **VI. Recommendations**

There are several ways to evaluate investment in the East End Maker Hub from the standpoint of a prudent investment of public resources. These include the following:

- a. Is the proposed project a prudent real estate secured loan investment of public capital resources?
- b. Does the proposed investment generate a favorable return on investment in terms of benefits to the general public?
- c. Does the proposed investment support long-term transformational strategic public-sector strategies advanced by City and Regional leadership?

As to question (a) the conclusion of this study is that the project represents a high probability of meeting its financial targets and fulfilling its repayment obligations. Even in the event of default the consequences for the City of Houston are relatively insignificant. There is a high probability that the City will be able to recover the initial loan value with interest through foreclosure in the unlikely event the East End Maker Hub were unable to fulfill its repayment obligation in the early years.

As to question (b), a worse case evaluation indicates the project will generate a 2 to 1 ratio of public benefit to investment even in the event the project fails to achieve its repayment objectives.

As to question (c), the answer to this relies in the judgement of City of Houston public officials and their assessment of alternative investments to jump start its "Complete Cities" initiative. As a standalone investment opportunity, the East End Maker Hub program would appear to be a superlative early start investment for implementation of the "Complete Cities" strategy.

## **Exhibit A: Gary N. Conley Biography**

Gary N. Conley retired in 2016 after serving for twenty-three years as President of TechSolve, Inc., a provider of industrial engineering and research and development services to manufacturers and a participant in the US Department of Commerce Manufacturing Extension Partnership program. During his term of service, TechSolve enabled its clients to realize \$900 million in cost savings and \$5.2 billion in sales increase. Much of this work focused on assisting small and medium sized manufacturers improve the efficiency of their manufacturing operations, bring new products to market, and integrate advanced technologies into their operations.

Mr. Conley has also served as the Economic Development Director of Cleveland, Ohio, during the term of then Mayor George Voinovich, President of the private North Coast Harbor Development Corporation charged with redevelopment of the Cleveland Lakefront, and President of the Los Angeles County Economic Development Corporation including oversight of the Los Angeles County Film Commission. He also served as Executive Director of the City-Wide Development Corporation, an economic and community development corporation serving the City of Dayton, Ohio.

In these various capacities Mr. Conley has provided leadership for hundreds of public/private real estate development projects representing billions of dollars of investment including seven inner-city industrial parks totaling some 900 acres, over 3 million square feet of office space, six hotels, seven downtown retail malls, and several thousands of single and multi-family housing units. Signature projects include the Cleveland's Rock and Roll Hall of Fame and the Great Lakes Science Center and Cincinnati's Underground Railroad Museum and Freedom Center.

Under Mr. Conley's leadership TechSolve advanced machining laboratory became a leader in the advancement of additive manufacturing technologies through its support of Morris Technologies and GE Aviation additive manufacturing initiatives and its participation as a commercial member of America Makes. Likewise, during Mr. Conley's tenure TechSolve led the US Defense Department funded National Smart Machine Platform Initiative in collaboration with the Association for Manufacturing Technology. This initiative resulted in the development of the MT Connect machine tool communication protocol, a fundamental enabling communication standard for the Industrial Internet of Things and Industry 4.0 technology.

In the 1970's, Mr. Conley served as a policy advisor to the US House of Representatives, the US Department of Housing and Urban Development and US Conference of Mayors in the development and implementation of the Housing and Community Development Act of 1974 that launched the Community Development Block Grant Program.

Mr. Conley has been awarded the International Economic Development Council's Lifetime Achievement Award for Excellence in Economic Development and the Society of Manufacturing Engineers' Donald C. Burnham International Manufacturing Management Award. Mr. Conley received his BA degree in Economics and Business from Centre College, Master of City Planning degrees from the University of Pennsylvania and Master of Economics degree from Wright State University.

### Exhibit B: List of Interviewees

<b>Name</b>	<b>Title</b>	<b>Organization</b>
Baron, Ben	Owner	HTX Made
Cockrell, Dorian	Sr. Manager, Workforce Development	United Way
Conflitti, Celeste	CATE, Technology Education	Eastwood Academy High School
Elliott, Spencer	Owner	Factory
Fields, Thomas	Owner	Grind
Ford, Jason	Vice President, Regional Economic Development	Greater Houston Partnership
Garza, Damien	President	Greater Houston Manufacturing Association
Gorczynski, Veronica Chapa	President	Greater East End Management District
Iglesias, Brandon	Owner	Texas Innovates
Khan, Mush	CEO	APS Plastics
Krause, George	Owner	Krause & Co.
Landa, Paul	Program Manager of Adult Education	Community Family Centers
MacDonald, Mary Alice Torres	Associate Professor	Texas Tech University – Architecture
Martinez, Ana Patino	Division Manager	Housing and Community Development Dept. (HCDD)
Meppelink, Joe	METALAB - Principal	Winter Street Studios
Miller, Ray	Assistant Director	Housing and Community Development Dept. (HCDD)
Nordby, Jon	Director of Strategy	Houston Exponential
O'Brian, Kelly	Owner	Flying Carpet
Oelke, Michael	Owner	Iron Ring
Okeke, Wesley	Owner	Fruition Tech Labs
Palmer, Micheal	Senior Vice President	Transwestern Property
Perazzoli, Victor	Director	TMAC Gulf Coast
Quillen, Casey	Owner	Badfish Performance
Rozenfeld, Alex	General Partner and Founder	Climate Impact Capital
Sanders, Joshua	Lobbyist	Hall Attorneys
Shelton, Kyle	Director of Strategic Partnerships	Kinder Institute
Sullivan, Mark	Owner	Cyclotronics
Tillery, Charles	Owner	Tree Climber Creations
Tillotson, Gwen	Deputy Director	Houston – Dept. Economic Development
Uzman, Akif	Dean of Engineering Technology	University of Houston
Villegas, Carlos	Staff Researcher	Kinder Institute

## Exhibit C: Discussion Guide

- A. Industrial Brokers and Real Estate Professionals
  - 1. Regional industrial real estate demand experiences and expectations with emphasis on small industrial users (20,000 sq. ft. or less) and start-up manufacturer demand by:
    - a. Industry sector and usage
    - b. Existing space vs. new construction
    - c. Space characteristics
    - d. Location in region.
  - 2. City of Houston East End demand experiences and expectations by:
    - a. industry sector and usage
    - b. existing space vs. new construction
  - 3. Specific observations regarding pros and cons of 6501 Navigation Blvd. as a location for small industrial users (20,000 sq. ft. or less) and start-up manufacturers relative to:
    - a. Competitive properties or projects in the Greater Houston Area
    - b. Competitive properties or projects in the City of Houston East End neighborhood.
  - 4. Recommendations, if any, relative to:
    - a. Improving the attractiveness of 6501 Navigation Blvd. to potential tenants
    - b. Facilitating the marketing of the property
    - c. Other individuals or organizations that could provide useful information or advice in the planning for the project
    - d. Any other measures that might enhance the likelihood of the success of the East End Maker Hub Project.
- B. Chambers, Manufacturing Associations, Economic Development Organizations, Manufacturing Small and Start-up Business Service Providers
  - 1. Description of your organizations engagement with small industrial users (20,000 sq. ft. or less) and start-up manufacturers:
    - a. Types of interactions and/or services provided
    - b. Relevance of this segment to the purpose and strategies of your organization.
  - 2. Observations regarding priority needs or concerns of these manufacturers and/or issues or obstacles encountered in serving them.
  - 3. Specific observations, if any, regarding:
    - a. Space demands and experiences of small industrial users (20,000 sq. ft. or less) and start-up manufacturers
    - b. Pros and cons of East End Maker Hub as a location for such tenants including the relative value of services to be provided by TXRX and the Maker Hub to such tenants.
  - 4. Observations regarding:
    - a. Relevance of the East End Maker Hub project to the purpose and strategies of interviewee organization and/or the broader community
    - b. Possibility that interviewee organization might provide support to the East End Maker Hub project and/or its clients or tenants
    - c. If answer to (b) above is positive, define the type or form of support might be forthcoming.
  - 5. Recommendations, if any, relative to:

- a. Improving the attractiveness of East End Maker Hub to potential tenants
- b. Facilitating the marketing of the property
- c. Other individuals or organizations that could provide useful information or advice in the planning for the project
- d. Any other measures that might enhance the likelihood of the success of the East End Maker Hub Project.

C. Prospective Tenants

- 1. Brief description of business including
  - a. Business history
  - b. Products and services provided, and markets served
  - c. Primary production processes and equipment utilized
  - d. Number and occupations of employees
  - e. Sales levels and trend
  - f. Any distinctive or unique aspects of the business or its operations.
- 2. Current and prospective space needs including:
  - a. Use (office, production, warehouse, other)
  - b. Ceiling heights and floor load capacity
  - c. Electrical power and natural gas
  - d. Column spacing, bay widths,
  - e. Loading requirements (dock/ground) and number of dock doors
  - f. Drains and/or containment requirements
  - g. HVAC and lighting requirements
  - h. Sprinklers, fire safety, security, safety and environmental hazard or regulatory compliance requirements
  - i. Access to highways and rail
  - j. Lease term and rental rate expectations
  - k. Any distinctive or unique requirements related to the business.
- 3. Description of experiences in shopping for industrial space including:
  - a. Description of the property search process including interaction with brokers
  - b. Locations and characteristics of properties considered
  - c. Observations on the suitability and attractiveness of space considered both as to physical characteristics and business terms.
- 4. Observations regarding the attractiveness of East End Maker Hub including:
  - a. Location within the region, transportation access, access to labor
  - b. Appearance, security, neighborhood amenities and physical condition
  - c. Fulfillment of space needs as identified above
  - d. Fulfillment of lease term and rental rate expectations
  - e. Access to shared equipment and prototyping services
  - f. Being part of a community of designers and fabricators
  - g. Access to apprentices and training and trained individuals
  - h. Access to flexible project space.
- 5. Recommendations, if any, relative to:
  - a. Improving the attractiveness of the East End Maker Hub to potential tenants
  - b. Other individuals or organizations that could provide useful information or advice in the planning for the project
  - c. Other measures that might enhance the likelihood of the success of the East End Maker Hub Project.

# SITE ASSESSMENT INGLESIDE, TEXAS

June 4, 2018



**Compiled by David Myers, MA, CEcD**  
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**On behalf of the**  
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# **Ingleside Site Assessment**

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# **Ingleside, Texas Site Assessment**

Prepared by David Myers, MA, CEcD  
On Behalf of the International Economic Development Council  
June 4, 2018

## Introduction

Ingleside, Texas, is an incorporated city of 9,762 (source: City of Ingleside website, Zoom Prospector on May 23, 2018) located on the north side of Corpus Christi Bay in San Patricio County. It is bordered by Aransas Pass, approximately five miles to the north, by the City of Portland, approximately eight miles to the west, by Corpus Christi Bay on the south and by Ingleside-by-the-Bay on the east. Ingleside-by-the-Bay is a separate municipality of 653 people. Ingleside-by-the-Bay contracts for most municipal services through the City of Ingleside and it functions as a part of the Ingleside area for retail, cultural, recreation and non-marine transit. Both Ingleside and Ingleside-by-the-Bay have waterfront on Corpus Christi Bay.

On August 25, 2017, the Ingleside area was struck by Hurricane Harvey. The category four storm made landfall just to the north of Ingleside, with the city directly in the path of some of the hurricane's most ferocious winds and rain. While the purpose of this assessment is to recommend potential long term economic recovery steps, not to assess the storm or damage created by Harvey, the storm's impacts in the region remained obvious during the site visit. In general, clean up was almost complete although rebuilding efforts continue and will clearly be an issue for months if not years to come.

The assessment of Ingleside was performed in response to a request from the Ingleside Chamber of Commerce to assist the community in developing an action plan to develop post-disaster economic opportunities. The site visit was made from May 14, 2018 to May 17, 2018 which included observations and interviews with 35 community stakeholders. In addition, research on the City of Ingleside, San Patricio County and the Corpus Christi region was conducted, using public sources such as documents collected during the site visit and available information on the internet.

It is important to note that every effort was made in the development of this report to be as comprehensive as possible. However, the scope of the work was time constrained and posed certain limits to the ability of the analysis to ascertain the ability of the City of Ingleside to pursue any of the steps suggested.

The scope of this work did not include any budget review, political feasibility, significant land use reviews or public input. The provided action plan should be reviewed by the city in the context of the full economic, political and social context of the community at the time decisions are made. It certainly does not represent the one and only path to long term economic prosperity nor does it imply a guarantee of success if all points are followed.

This report is broken into nine sections. It begins with an overview of the local economy in the aftermath of Hurricane Harvey. This is followed by six sections that provide background on key subject areas and the recommendations made for each subject area. Each recommendation contains several action steps. These recommendations are also outlined on Exhibit A, attached. The eighth section is an abbreviated strengths, weaknesses, opportunities and threats outline based upon observations and interviews from the site visit. The ninth and final section is a conclusion to very briefly look beyond the recommended actions, as well as acknowledgements.

## Section One

### **Overview of the Local Economy**

The City of Ingleside has the long-range opportunity to grow into a significant economic engine for the Corpus Christi region. The recent extension of the La Quinta Channel along the Ingleside shoreline opened significant opportunities for industrial development. As an important element of the Port of Corpus Christi, this natural asset is already attracting substantial investment and job creation projects. A significant portion of these new jobs are in industry related to water transportation, oil and gas production and transportation, and distribution. The City of Ingleside can build upon this growth and greatly enhance the local economy if key issues are addressed in concert with county, regional, state and federal leaders.

In general, Ingleside has an enviable job creation base created by the development and recent extension of the La Quinta Channel on the north side of Corpus Christi Bay. Companies providing primary employment, jobs that export a good or service outside the community, maintain facilities in Ingleside that are large both in terms of their geographic footprint as well as their job counts. These companies, partially shown on Exhibit A, include but are not limited to Occidental Petroleum, Kiewit Off Shore Services, Chemours, TPCO, Flint Hills Resources and Cheniere Energy. ExxonMobil recently announced plans for a large facility ten miles west of Ingleside. In selecting the site, an ExxonMobil executive said of the area "it's deep-water access and ready-made pipeline and railway infrastructure were too good to pass up."

The recent extension of the channel was the result of land obtained by the Port of Corpus Christi following the closing of Naval Station Ingleside, a facility closed by the federal BRAC process in 2005. The Navy turned the estimated 1,000 acre site over to the Port in 2010 and the extension of the channel commenced in 2011. The closing of Naval Station Ingleside would likely have been far more difficult for the community but for the growth in jobs along the La Quinta Channel. Naval personnel also vacated housing in the community which allowed for a percentage of the workforce of the large primary employers along the channel to purchase homes. It also masked the fact that homes were not being constructed for the primary workforce and, indeed, most of the primary workforce continues to seek housing in areas including Portland and Corpus Christi, where the majority of the region's housing stock exists.

Ingleside's biggest challenge is the lack of housing, more specifically new single family and multi-family housing. This is more fully discussed below. Currently, Ingleside is importing a large percentage of its workforce which has economic, environmental and social outcomes both to Ingleside as well as the region. There are specific consequences of this lack of a resident workforce including a shortage of retail, health care, indoor recreation and other amenities often sought by people considering a community. Specific recommendations to address some of these needs are outlined in this report.

No community should take its very existence, or its ability to prosper on behalf of its residents for granted. A community that has experienced a natural disaster on the scale of Hurricane Harvey is particularly vulnerable to change, both (ultimately) positive and negative dependent largely on whether or not the city takes mindful, appropriate actions consistent with the changing economic context.

In general, proactive cities in North America in the 21st century are taking steps to fill gaps to attract private investment or to encourage investment. In doing so, these areas are cognizant that needed private investment is a scarce resource. While some areas do not partner with the private sector on different types of development from retail, to residential to industrial, typically for philosophical reasons, such a choice tends to have the consequence of having less investment and growth. Private capital has many choices and civic leaders should be aware that the market is moving toward cities that have shown a willingness to partner.

How a city partners with the private sector can take many forms. It should not be implied that partnering is exclusively financial, although there are numerous examples where appropriate public investment made the difference between success and no action. The overall point is that Ingleside is at a cross roads not only in post disaster recovery, but also in its approach to attracting private investment going forward. What is the city willing to do to attract investment for housing, small business development, retail and so forth? What is its risk tolerance?

This report cannot make specific recommendations regarding the city's risk or investment profile as that is a policy matter for the city to decide. The action plan, however, does provide certain specific recommendations on ways to help attract more public and private investments. These steps are not a complete inventory of potential public private partnership options. More specifically, raising this issue of what the city is willing to do to fill gaps that will attract private investment is in itself intended to be a major recommendation of this report. With cities not only in the same region but throughout Texas and North America becoming more aggressive in attracting investment, should Ingleside take steps to become competitive or is the economic context of the community itself sufficient to attract capital?

The community is already taking steps to serve as an economic stimulator. The facade grant program managed through the Ingleside Development Corporation (IDC) is one such example. During the site visit, a robust discussion by the IDC board seeking the balance between appropriate risk with public funds (the program is funded through with the city's 4b funds), and the city's desire to spur the growth of small business took place. In addition, the Mayor and a City Councilmember shared their views during a joint interview with respect to impact fees. Impact fees themselves can be a form of partnering as all business want to enjoy a city with appropriate services and appropriate controls, while there is undoubtedly a point at which impact fees are so high that they discourage investment. The views of the Mayor and Councilmember on impact fees were conflicting but respectful. While the city can always make future changes based upon what they believe works and what does not, these are examples of where the city should make decisions. Certainty itself is a very important incentive for those considering projects in any city.

In partnership with the Corpus Christi Regional Economic Development Corporation (CCREDC) and the San Patricio County Economic Development Corporation (SPEDC) as well as the state of Texas, the community is working on a proposed State Highway 200, that, in addition to easing congestion in Ingleside, would also have the potential for expanding opportunities for additional industrial development. In addition, land to the north of State Highway 361, in Ingleside and adjacent to the city in San Patricio County, has been the subject of interest for other potential job creation projects according to regional officials.

From a long-term perspective, Ingleside would be advised to develop a long term strategic plan for economic development. This plan could incorporate the processes recommended by the Federal Emergency Management Administration, the Texas Department of Public Safety and the Texas Division of Emergency Management which recommend a long-range recovery strategy be developed to plan for a sustainable future following a natural disaster. However the city decides to proceed, a consensus driven approach to long term recovery planning is highly recommended.

From a more short term perspective, there are steps the community can take immediately that would help position Ingleside for recovery and long term growth. They are not a substitute for a long term strategic plan and they are designed to provide a path forward that would meet certain basic needs. Those action items are listed below.

# Housing

There is a very clear connection between the ability of Ingleside to benefit from the industrial growth in the area, and the need for new housing, both multi-family and single-family homes. The lack of housing to support the jobs being created by many of the new primary employers in Ingleside is a regional issue as well as an estimated 80% of the workforce employed at the large facilities must commute outside of Ingleside for housing. The effects of a large commuting population on a region are well documented elsewhere and they include impacts to the regional transportation system, air quality and social concerns.

The limited housing stock in Ingleside has been complicated by the aftermath of Hurricane Harvey. A sizeable amount of the area's available housing stock appears to be and was reported to be occupied by contractors in the area responding to the clean up and rebuilding efforts in San Patricio and Aransas Counties. Harvey was also responsible for the destruction and damage of both single family and multi-family units which also resulted in an exodus from the community of hundreds or people who had to seek housing elsewhere.

The demand for temporary housing in Ingleside is not unique to the period following Hurricane Harvey, however. Ingleside's primary industries often have large projects that attract temporary workers to the area for a project specific reason and timeframe. As an example, Shell Oil company's hull for the Appomattox oil field, a project that produced a considerable number of temporary jobs in and around Ingleside, left Ingleside for the deep waters of the Gulf of Mexico the day this site visit began.

Several hotels not only in Ingleside but also in neighboring Aransas Pass were not available due to storm damage. Interviews with local hotel owners indicated that one nationally branded hotel in Ingleside had just reopened and two remained closed out of a total of five such properties. This put additional strain on the housing stock as projects including the Shell Appomattox project were underway and temporary workers had limited local housing options. With the summer tourist season fast approaching and some hotels in Ingleside and Aransas Pass expected to remain closed through the fall at the earliest, there is little relief in sight for the housing market.

The available inventory of single family homes for sale remains limited. An interview with a local realtor noted that there were only 25 houses on the market at the time, and only eight of those homes were priced below \$200,000. Antidotal evidence, based upon interviews with city officials and local realtors, indicate the there is interest from housing developers to build new housing in the community. The feedback received is that the developers are unwilling to absorb infrastructure costs that in some cases are reported to be in excess of the needs of the project.

Retail and needed services, not the least of which include medical facilities, were impacted by the decline in the population following Harvey as well as the lack of growth in a permanent residential population. The community has one, full service supermarket, a small HEB store at the corner of State Highway 361 and FM 1069. That company, when approached by the community about expanding that store, said that Ingleside would need to add approximately 500 new homes before they consider such an expansion. As a result, many residents leave the community for their shopping needs, taking needed sales tax revenue with them.

Multi-family housing, as noted above, is a particular need in the community. Harvey damaged several multi-family units, closing the 200 unit Ingleside Apartments completely. This not only caused the residents of this facility to leave the community, it also forced some former tenants to go into single family homes in the area,

in many cases doing so in groups of temporary workers. The decline in the housing stock had an impact on pricing, making housing affordability more problematic and raising equity concerns. There are a number of mobile home parks along the periphery of Ingleside that appear to cater to trailers and fifth wheels (as opposed to larger, more permanent mobile home). At the time of the site visit, most of these parks appeared to be almost full although though no hard figures were available to verify that observation.

Housing is an issue throughout the Corpus Christi region. According to statistics compiled by Texas A&M Corpus Christi and supplied by the CCREDC, approximately 4,500 housing units in the region were damaged by Hurricane Harvey. Based upon the storm's pattern, it can be expected that the most severe damage to homes occurred in the North Bay in San Patricio and Aransas Counties. The CCREDC reports that the region will require, at a minimum, 555 new housing units per year to keep pace with population growth and over 15,000 new housing units would ideally be needed to meet the projection of job growth throughout the region by 2022. Given that a significant percentage of the new job creation is in and around Ingleside, the community is well positioned to attract a proportional percentage of that residential growth through appropriate actions.

Listed below are the recommended action plan items intended to assist the city in attracting more housing development. Some steps, such as the need to expand the capacity of the water and waste water treatment facility, will need to be done in conjunction with other stakeholders. Both water and waste water facilities are operated by the County of San Patricio under a license with the City. Both plants are nearing capacity. The State of Texas has asked the City and County to develop a plan for expanded capacity and a \$22 million expansion of the waste water treatment plant is under development. Regional infrastructure, as indicated on Exhibit C, seems sufficient, but the local treatment facilities, the last mile so to speak, are key to housing development in Ingleside. It would be very difficult to attract housing developers if there is limited water and wastewater treatment capacity. It would also be a significant disincentive to any private developer if they were required to make an investment beyond the nexus of their project to expand the two facilities.

#### **Action Plan Recommendation Number One: Develop programs to attract more housing to Ingleside**

1. Consider programs that could assist residents and landlords of multi-family properties in reaching insurance settlements for Hurricane Harvey damage to restore the existing housing stock as soon as possible. This could include informational charrettes with expert speakers on working with insurance companies, contractors, city zoning codes, any available assistance programs (i.e. the Coastal Bend Community Foundation) and so forth.
2. Expand the capacity of the water treatment plant serving the city;
3. Expand the capacity of the waste water treatment plant serving the community;
4. Identify specific tracts of land within the City of Ingleside that are on or near existing infrastructure that are capable of providing twenty or more lots;
5. Identify the owner or point of contact of those parcels and insure that there are no zoning impediments to the production of housing on the lots.
6. Identify potential sources of funding for extending any needed additional infrastructure for the treatment plants as well as to the desired residential tracts to off-set development costs (i.e. TIF);
7. Consider zoning steps to encourage new housing development in the community. These steps could include density bonuses, infrastructure reimbursement agreements, reduced setbacks (zero lot lines, etc.), incentive zoning and other potential steps. See the American Planning Association for more concepts and details;
8. Build a marketing program aimed at and delivered to housing developers for the attraction of single family and multi-family housing projects for the City of Ingleside. Include building the awareness of existing companies located in Ingleside, available land, great schools, the commuting population (the number of people who drive into Ingleside every day that could be living there) and so forth.

## **Grant/Economic Development Position**

Hurricane Harvey put a significant amount of stress on an already small city staff. Managers were already handling multiple responsibilities when the storm arrived. The city had the capacity to focus on health and safety issues in the aftermath of the storm but there is little organizational capacity remaining for long term needs and opportunities. In addition, there has been changes at the most senior level of the city's professional leadership with the City Manager, the Finance Director and the Chief of Police leaving within months of the storm. In addition, an election held on May 5th resulted in a change in the city's Mayor. This report is not intended to suggest any judgement on any of these changes, rather it cannot be ignored that these were significant changes to the city's leadership at a time of great challenge.

The damage to city facilities undoubtedly created additional stress on the city staff. In addition to the need to focus on community clean-up and assisting residents, the city hall building, as well as the library were both damaged and remain closed. The library is currently housed in very small quarters with the chamber of commerce, a considerable reduction in space (and available resources) from the permanent structure. City Hall is currently operating out of a retail spot in a strip mall. The City Council and the Ingleside Development Corporation board currently hold their meetings (and potentially other city boards and commissions) in the Ingleside Garden Club building, a modular structure with limited capacity for public meetings.

The city, as with many others interviewed in the community, are working through the insurance process to receive the funds necessary to do the needed repairs to reopen that facility. It was unclear whether or not City Hall would try and reopen the former building. Several leaders expressed a desire to open an expanded new facility in another location that could include an Emergency Operations Center. There were other city facilities damaged and city staff spends a great deal of the limited available time on the issues involved with recovering from the storm. This leaves little room for forward looking initiatives and needs.

During the site visit, it was apparent that the City was working hard to handle the projects in front of them. The new Mayor appears to enjoy support from the community and the rest of the City Council and the process for hiring a new city manager is underway. The Ingleside Development Corporation was also observed to operate effectively in the management of the City facade and small business programs.

Ingleside currently does not have an economic development program specific to Ingleside in place. The CCREDC and the SPEDC, along with the Port of Corpus Christi, collectively function as the industrial recruitment program for the community.

Economic development, however, includes far more than attraction and business recruitment. The Chamber of Commerce has in many ways been handling many of the economic development duties in the community. This is not without precedent but it must be noted that chambers that are formally engaged in economic development on behalf of their cities generally do so under contract. The informal nature of the current relationship speaks well of the civic cohesiveness of Ingleside. As with the city, however, the chamber does not currently have sufficient capacity or funding to pursue the action items recommended in this report.

There is currently no true business retention and expansion program beyond the member services provided by the chamber and the CCREDC for the large industrial base in the area. The strong relationship the community enjoys with the regional partners is based upon personal relationships and does not have a "go-to" person with whom the regional partners can reliably interact. Small business development, a stated goal of city

leadership, has administrative support within the city but no true staff lead. Ingleside has received recognition for its positive environment for small business development, however, recently being ranked as the 66<sup>th</sup> best community in the state by LendEDU to start a small business.

Long term economic development planning and coordination is simply beyond the scope of current staff levels. The ability of the city to pursue grants and other funding opportunities, so vital in the aftermath of the storm, is constrained as various staff people pursue different initiatives as time allows. This is completely understandable given the impacts of Harvey. The City's ability to function given the circumstances has been laudable. The point, however, is that Ingleside is working through the aftermath of a category four hurricane at the same time industrial development is accelerating, housing is needed, and resources are available that were simply not available prior to August of last year. Ingleside has an opportunity and the pursuit of that opportunity would benefit greatly from additional management capacity.

The City of Ingleside has three financial resources that could likely be more fully utilized in positioning the community for long term recovery and growth. The first is reported strong bonding capacity. This could be an asset if an available revenue source is identified to retire the debt, This could include the aforementioned use of a tax increment financing district (TIF) to support new housing. The second is that Ingleside has an existing Texas 4b revenue source with a reported balance of \$700,000. The third is the potential financial resources made available for hurricane recovery and the goal of long term economic stability.

At noted, at this point the city does not have the staff to do more than the immediate needs of the city. This would be an issue in any city. A city with the potential of Ingleside, with its proximity to the City and Port of Corpus Christi, should not leave its future to chance. Positioning the city for future growth should include sufficient and specific staff to assist the City's elected and appointed leadership to fully deal with the needs and maximize the opportunities. It may be feasible to contract with the chamber of commerce for a position to handle the duties recommended below, although that would still require funding the chamber for this and necessarily alter the management structure discussed.

The recommended position is generically referred to herein as the “an economic development director.” The position is recommended to report to the City Manager, who then reports to the City Council. This provides for a smooth and cohesive management structure. The economic development director, however, could staff the IDC where administrative decisions are made and policy recommendations are forwarded to the City Council with respect to small business programs and the use of 4b funds.

**Action Plan Recommendation Number Two: Build the Management Capacity of the City of Ingleside by adding a full-time position to manage grants, housing and economic development projects for the City of Ingleside.**

1. Apply for a grant from Rebuild Texas to fund a position for one year, reporting to the City Manager, to identify and manage federal, state and foundation funding aimed at housing and economic development needs;
2. Work with the City's Emergency Management Coordinator to ensure that the needs of business and employers are being met with respect to Hurricane Harvey relief efforts;
3. With this position as staff lead, strengthen the regional approach to economic development, transportation, housing, primary employer business retention and expansion, attraction projects, analytics and other needs and issues by continuing to work closely with the San Patricio County Economic Development Corporation, the Corpus Christi Regional Economic Development Corporation and the Port of Corpus Christi. This position should become to the “go-to” person in Ingleside;

4. Fund the position after the first year through either general city funds and/or supplemented 4b funds, to develop an ongoing economic development program (the following steps are recommended as the core of that program);
5. Under the direction of the City Manager, permanently staff the IDC and manage the Façade program as well as other small business development programs including coordination with existing small business development programs at the regional and state level;
6. Consider developing a business incubator in Ingleside to help start-up businesses launch, particularly those that could be suppliers to existing primary employers in the community;
7. Develop a business retention and expansion program that includes, at a minimum, regular visits with the largest employers in the community. Manage appropriate response to issues identified through those visits as well as the development of a data base to build both emergency contact information and other relevant information provided by the companies to help build the local supply chain through small business growth or attraction;
8. Working with the IDC, develop a long term economic development strategic plan (long term recovery plan) that builds consensus with other stakeholders in the community and the region;
9. Serve as the coordinator of the recommended actions relative to workforce (see recommendation number three);

#### Section Four

## **Workforce**

There was virtually unanimous agreement among those interviewed that the Ingleside School District was an outstanding district and a true asset to the community. At the same time, there was less agreement about whether or not the district was tied in with local industry or aligned its educational focus on local employment. As with most school districts in the U.S. in 2018, the district is making a very strong push to encourage all students to attend college, while the vast majority of observed positions available in the community did not require a college degree. This report does not seek to make a value judgment on the district's goals (the author of this report has not been elected to the Ingleside School District board or any other school district board) rather it appears somewhat emblematic of the situation in Ingleside.

Several people in interviews noted that Ingleside imports up to 80% of the workforce at the area's primary employers. At the same time, there was reported to be a high percentage of Ingleside residents who commute into Corpus Christi for work, a significant number of them in the health care field. This misalignment is problematic. There are no health care jobs in Ingleside and Ingleside does not have enough people with the appropriate skills, degrees or desire to fill the local jobs.

The high quality of the Ingleside School District is an asset upon which the community can build with respect to any desired effort to attract population. It is also likely that there are students within the district that may not wish to pursue a college track and might prefer some of the very good jobs available in Ingleside or that will be available in the area soon.

Local employers, for example reported that they have positions available which pay as much as \$90,000 that do not require a college degree. These better paying positions do require training and the nearest vocational training facility is located at the Del Mar Community College in Corpus Christi. There are three welding training centers in Ingleside supported by area employers, but that appears to be the extent of any locally available skills training.

For those without training, there are no shortage of jobs in the area. The primary employers report that they often provide training programs for entry level positions. They do report that a number of entry level applicants cannot pass the drug test, an issue that is certainly not unique to Ingleside. These primary employers say that their contracts and requirements do not provide for the option of waiving the drug test or accepting those with felony convictions.

Outside of the primary employers, available jobs are easy to identify. During the site visit, virtually every restaurant and many other small businesses had help wanted signs displayed. This is also not unique to Ingleside but the community's workforce challenges do appear to be more acute. One fast food restaurant in the area, for example, reported that it closed its lobby and kept only its drive through window open due to their inability to attract and keep a workforce. Another restaurant reported that it closed several times due to the lack of a cook. Another business owner said that it required \$15-\$20 per hour to find a quality worker, a price point above national averages.

Employment connections between available jobs and those seeking employment is not available in Ingleside or the surrounding area in any meaningful way. There is no "one stop" in Ingleside. A state workforce mobile unit does come to Ingleside for regular stops but a true one stop employment center for both employers and job seekers requires a trip outside the county to Corpus Christi. the San Patricio Economic Development Corporation worked to build a workforce training center in the county in 2015 but that effort apparently was not successful. The lack of both training and services in the county is a real issue and one inconsistent with federal objectives.

The ability of the city and community of Ingleside to impact the larger challenge facing San Patricio County is limited. Should the city choose to launch an economic development program, as described above, there will be some opportunity for Ingleside to make positive impacts on the ability of the community to make local educators aware of local employment opportunities that will help certain students better prepare for local work. The city can also assist residents in finding meaningful employment and to work with existing employers on finding the workforce they need. There are also steps the community can take to building sufficient workforce resources that will be necessary to attract employers in the future.

**Action Plan Recommendation Number Three: Develop a workforce development program through a proactive approach to workforce information and training coordination and advocacy.**

1. Inventory existing workforce training programs in Ingleside (i.e. welding schools, programs within the high school);
2. Inventory skills training at Del Mar in Corpus Christi to identify the existing programs that Ingleside residents could attend to prepare for local jobs and from which local employers could recruit;
3. Contact companies to determine the available jobs and the skills needed for those jobs. Create a page on the City of Ingleside web site that remains current and lists those available positions;
4. Serve as the point of contact for school personnel, companies and individuals who want to connect with regional training programs;
5. Conduct a tour or tours, once a year, for high school teachers and counselors of one or two large Ingleside employers to help local education professionals understand the opportunities in Ingleside and the requirements of local employers;
6. Work with San Patricio EDC and/or the county and regional partners to at least recruit an American Jobs Center to the county, if not a true one stop as envisioned by the Workforce Innovation and Opportunity Act of 2015;
7. Work with San Patricio EDC and/or the county and regional partners to develop a future workforce training center (a sub campus of Del Mar) in the county.

## Section Five

# Small Business Development

The site visit included interviews with 35 people. Several of those people, including city council members, IDC board members and civic leaders, expressed a strong desire to promote small business growth in Ingleside. Translating those desires into actions would be consistent with national trends as well as with opportunities in Ingleside. Making small business growth a priority, as with other goals, comes at a cost. That cost can either include additional facilities (an incubator for example) additional staff resources and/or higher risk tolerance in programs such as the Business Facade Program.

Ingleside's economy has a disproportionate number of jobs with large companies. Large employers are less likely to rely upon or need local economic development programs (although a strong business retention and expansion program is always recommended). Small business is different. It tends to rely more heavily upon the local community in many ways because it is more dependent upon the local economy. The large companies along the La Quinta Channel do not sell their products to Ingleside. Small businesses, however, do.

Small business development is also a very important amenity with respect to the overall growth of the community. The availability of services that are often provided by small businesses can make a big difference in the provision of amenities that attract population. Small businesses also tend to be very involved in their chambers, services clubs, faith communities and so forth (although Ingleside's primary employers appear to be very involved in these areas as well). Small businesses serve a vital role in building the fabric of an attractive community. Dynamic small business development programs can provide an attractive option for local residents, or potential residents, to pursue their passions and aspirations.

The presence of an active, growing small business sector can also benefit large employers in the area. The local presence of tier two and tier three suppliers, as well other small business connected to their operations or supply chain, can enhance the operations of large companies and make the area more attractive to others.

The universe of small business programs is growing every day. The best way to promote small business depends largely on what works in a given community. Almost every small start-up wants funding. Public funding for operations (as opposed to one-time programs such as the facade grant program) is rare and this report does not recommend that the city provide any operational capital. There may be a long-term opportunity for the city, chamber or other community organization to try and form an angel investor network but this report recommends that more basic steps occur first.

The city should also consider its goals with respect to small business development. It is recommended that any legal small business be encouraged, but that does not necessarily mean that all businesses serve the same purpose. Should a business that goes into a blighted property receive the same consideration from the facade grant program as a business occupying modern strip mall space? Should retail start-ups that fill an unmet need (i.e. a small movie theater) be treated the same as a retail purpose for which several options already exist in the community? Some communities place a higher premium on small, primary industry businesses than retail. This report recommends, however, that Ingleside needs both and should not, at this time, make such a distinction other than the bias toward certain industries implied by both the facade grant program (retail and service oriented) and the recommended incubator (with a bias toward non-retail/service businesses).

The city recently held a discussion with regards to the goals of facade grant program. This discussion about whether or not a new business qualifies and whether or not a tenant is eligible was held by the IDC board during the site visit. Developing programs to assist and encourage small business to start-up or come to Ingleside extends beyond the facade grant program. The answers, therefore, may or may not be different than those the IDC is applying to that specific program.

Additionally, the city should consider some "best practices" in small business development employed in other areas. For example, one traditional role played by government and workforce training centers is the addition of a business incubator. An incubator allows start-up businesses to pay a graduated rent as they grow. Generally speaking, an incubator is home to several start-up businesses and the operators typically provide the new businesses with connections to resources they may need (community college programs, workforce centers, city services, etc.) to succeed. The owner owns the building, collects the rent, knows where to refer the businesses and helps the new business "graduate" (move out) after a defined period of time (three years is not uncommon) with non-monetary assistance and referrals. The National Business Incubation Association can provide more information on incubators. As a local example, there is a small business incubator located at the Coastal Bend Innovation Center at Texas A&M University, Corpus Christi.

The city may wish to consider other new trends that are growing in other areas. For example, the growth of "shared work centers" in many areas supports the growth of those working in an office environment. Shared work centers allow individuals to rent a desk, a conference room access to a copy machine and other officer amenities on a monthly, yearly and even hourly basis. Most of the centers are run by private, for profit ventures while a few, particularly outside the urban core, are operated by non-profits or even cities. An example of this is the Venture X Shared work shared center in San Antonio.

Other ways to encourage the growth of small business include a business plan competition. In a competition such as this, start-ups apply for the contest which is judged by local business people. The start-up submits their business plan in advance and then makes a pitch to a panel of judges at the contest itself. The winner gets certain incentives for starting their business in Ingleside. These incentives may include three months free rent at the incubator, a small grant for equipment, one-year membership in the chamber, etc.

There are also a growing network of "Inventor's Clubs" in the United States. These local clubs pay no franchise fee or follow no specific policies. They tend to be organized and, at the outset, organized by the economic development organization. The purpose is to bring together people in a community that are working on an invention or patent. The goal is to launch new businesses around those inventions. Eventually, the clubs become self managing. For an example of a club, visit [www.txinventors.com](http://www.txinventors.com).

Finally, there is a growing national economic development philosophy that could fit in well in Ingleside. Economic Gardening began in Littleton Colorado about thirty years ago. It is based upon the idea that it is more efficient and sustainable to grow your own businesses than it is to attract outside businesses. With Ingleside's already large primary employer community, economic gardening could be a complimentary way to develop organic businesses that serve the primary employers in town or will meet unmet retail and service needs. It would require an economic development director and a commitment since the process can take several years. Most communities combine elements of economic gardening with a more traditional economic development approach. For more information, the Edward Lowe Foundation is a leading resource ([www.edwardlowe.org](http://www.edwardlowe.org)).

All of the steps discussed are long term and require patience. All of them will require the services of an economic development staff person. There may be opportunities to pursue abbreviated versions of the included steps without additional staff support but that is not recommended.

**Action Plan Recommendation Number four: Encourage the development of small business in Ingleside to promote development in the business district, to promote home grown opportunities for Ingleside residents, and to attract tier two and tier three suppliers to the areas primary employers.**

1. Continue to manage and promote the Business Façade program. Allow recent decisions regarding the program time to build an awareness of the rules and consistency in the program;
2. Consider the development of a business incubator run by the City and funded by 4b funds. The location of the incubator could be in the former city hall building (assuming it can be sufficiently repaired) or a similar building of 5,000 square feet, (+/-). The elements of a business incubator are available from many sources including the National Business Incubation Association and will not be repeated here;
3. As an alternative to using the former City hall for a business incubator, consider the potential for establishing a city or non-profit owned "shared work center" in that building;
4. Maintain an inventory in the proposed economic development office of available buildings, storefronts, etc. that can be used to facilitate the attraction of small business to Ingleside. Such an inventory should include elements such as electrical capacity of the site, parking, doors, ownership and zoning at a minimum;
5. Working with Del Mar in Corpus Christi, conduct a business plan competition for San Patricio County, in Ingleside. Provide certain incentives for the winner to open that business in Ingleside;
6. Consider the potential for facilitating and forming the following:
  - a. A Business Plan competition in Ingleside
  - b. a One Million Cups" club in Ingleside
  - c. An Inventor's Club in Ingleside'
7. Consider launching an "Economic Gardening Program" in Ingleside or encouraging the developing of such a program in San Patricio County in which Ingleside would be a part.

Section Six

## Placemaking

Placemaking is a broad term used to describe how a community either has or seeks to enhance its sense of community. This is addressed through general community appearance, the provision of amenities such as retail, recreation, public spaces and more, as a means of building a rich public and social life for its residents. It is used here to capture a number of issues identified during the site visit, some of which are not classically "placemaking" do contribute greatly to insuring that Ingleside is a community of choice for current as well as future residents and visitors.

A number of people interviewed during the site visit noted several retail and entertainment needs. It was pointed out that the current supermarket in Ingleside, an HED market, is considerably smaller than the same branded store in Aransas Pass, a city with the same population size as Ingleside. Likewise, a WalMart Supercenter is located in Aransas Pass as is a Lowes and other retailers not found in Ingleside. It is likely this is due to Aransas Pass' location along State Highway 35, which functions as a direct freeway into and out of Corpus Christi. Ingleside will need to work harder than Portland and Aransas Pass to recruit and grow local retail as a result of the lack of a freeway. Nevertheless, the attraction of future residents to Ingleside to replace those who left due to the storm, as well as those needed to fill new jobs in the industrial base, is hampered by the lack of sufficient retail amenities.

Hurricane Harvey left its mark on the community's limited retail amenities. During the site visit, work was just beginning on a key gas station convenience store at the key intersection of Highway 361 and FM 1069. There were other gas stations still closed, and the impact to hotels is mentioned elsewhere in this report. Interviews with a restaurant owner noted that his location was closed for three weeks, although it appears as though his business has now fully recovered.

Perhaps the most noticeable absence in the community is the lack of any medical facilities. Even prior to the storm, Ingleside did not have a single urgent care, let alone a hospital. There is no drug store for prescription medicine. Those needing such necessities have to go to Portland for urgent care or a pharmacy and to Corpus Christi, at least 35 minutes away, for the nearest hospital. A closer hospital in Aransas Pass was badly damaged in the storm and remains closed. There are dentists and chiropractors in the community but no eye doctors. Several of the larger employers report that they have limited medical support on their sites, typically a physician's assistant or a nurse, although these services are not available to the general public. The lack of an urgent care and pharmacy will be a challenge to the city's desire to attract residents and business.

The area boasts impressive outdoor recreational amenities. These include bay access at Cove Point, bird walking and nature trails at Whitney Lake, events at Lone Oak Park and proximity to the beaches near Port Aransas approximately thirty minutes away (depending upon the ferry wait). Golf is available in Aransas Pass and Portland. There is, however, no inside or night time entertainment. The nearest movie theater is in Portland. The nearest bowling alley in Aransas Pass was closed by the hurricane and is not expected to reopen. There are no family entertainment venues such as roller skating rinks, miniature golf ("putt putt") or similar facilities. While these amenities are not critical to the recruitment of population, they are helpful in an increasingly competitive environment where many areas are seeking to attract people.

The city may also wish to consider the role of the Facade Grant program as it relates to this aspect of community development. The program is a definite incentive to existing small businesses and the IDC clearly see it as an effective tool for enhancing the appearance of businesses. This report does not wish to recommend changes to that program, although there may be the opportunity to expand the Facade Grant program or even create a similar program or even a loan program for property owners in key corridors to improve their buildings.

Ingleside has no apparent center of town. City Hall, which has been located in a residential area not far from Ingleside High School, was badly damaged and remains closed as noted elsewhere in this report. A new City Hall, need regardless of location, could provide a powerful catalyst in creating a true city center for the community. Building such a facility along a main corridor, such as FM 1069 south of State Highway 361 or along State Highway 361 east of FM 1069 would be a major step towards creating a true "downtown" in Ingleside.

It was further observed during the site visit that Ingleside has excellent parks and outdoor recreation facilities. Cove Park, with direct bay access, could become a significant tourist draw with improvements made to the docks, boat ramp and picnic facilities. This in itself would provide a weekend tourist destination that would attract retail and fill hotel rooms. In addition, Lone Oak Park and Whitney Lake also have the potential to be strong draws for visitors. All three, however, are very difficult to find and a program of wayfinding (signage) would go a long way toward enhancing the tourism base in Ingleside.

Several people interviewed during the site visit noted that the appearance of Ingleside would benefit from additional grass mowing and property maintenance. In particular, Ingleside has a beautiful entryway along

State Highway 361 at the west entrance to the community. More than one person suggested that the city "mow out to the sign." The comments about mowing and beautification were equally mentioned when discussing individual homes as well as the communities around Ingleside and could be a function of residual storm impacts.

**Action Plan Recommendation Number five: Develop plans to promote placemaking in Ingleside for the purpose of attracting and retaining population**

- 1) Determine unmet retail and entertainment needs and develop a plan to attract them including a determination of what Ingleside would be willing to do to recruit them. This could include incentives through the IDC, the provision of land, certain zoning benefits (higher density, lesser set-backs, etc.);
- 2) Work with regional medical providers on recruiting an urgent care center to the community;
- 3) Work with HEB on expanding the existing store at Highway 361 and FM 1069 and, in particular, add a pharmacy to an expanded HEB store, unless a stand-alone pharmacy is recruited;
- 4) Develop a plan to update and improve Cove Park as a regional attraction;
- 5) Install wayfinding signs throughout the community to direct visitors to Cove Park, Like Whitney and Lone Oak Park;
- 6) Consider targeting the façade program for specific properties or types to enhance blighted properties in significant areas of the city;
- 7) Consider a new location for City Hall that could provide an enhancement to a "Main Street" environment either on Highway 361 or along FM 1069, on the Bay side of the tracks;
- 8) Continue Strong code enforcement efforts in residential areas and continue aggressive grass cutting areas along Highway 361 and FM 1069;

Section Seven

## **Industrial Buildings and Land Inventory**

The continued growth of the large, primary employers in the area offers a significant opportunity to attract tier two and three suppliers and service companies. Currently there are some companies in and around the city that provide contracted services to the primary employers. Most of the supply chain for the large companies, however, exists outside of Ingleside and the region. There is an opportunity for Ingleside to capture a percentage of this business.

There were currently very few available or appropriate industrial buildings identified in the community during the site visit. Indeed, only one such potential property was observed. All available industrial land appeared to be raw land. In one case, a parcel on FM 1069, discussed further below, appeared to have infrastructure along the border of the property although this property was not in a shovel ready condition. Shovel ready or pad ready refers to aspects including proper zoning, available infrastructure, soils testing, hydrology, environmental assessments and more and is vital to attracting smaller industrial development.

The site visit did not identify any industrial parcels that were shovel ready. The large industries that have been coming to Ingleside are of a scale that they would need to do their own site development regardless of where they went. A shovel ready site is not much of a benefit to them. Suppliers and smaller companies along their supply chains, however, would find Ingleside far more attractive if such sites were available.

The notion of preparing shovel ready sites is included in this recommendation. More immediately, however, the city can identify available buildings and available sites that are as close to shovel ready as feasible today. These might include the land on FM 1069, land near the airport (understanding that the airport is outside of Ingleside's city limits) or other tracts. Close to is a long way from shovel ready but it is preferable to nothing.

The development of an industrial park is a long-term proposal and not intended as an *immediate* action plan item. It is included in this report due to the long lead time involved in developing such an asset. In particular, the procurement of land may or may not benefit from more immediate action. It is not uncommon in areas recovering from a hurricane to see land prices appreciate. There was some evidence of this offered during the site visit which suggests. The city will be in a better position than this report to judge when an appropriate time to secure property at the best price would be. The State Highway 200 project may open up additional land that could potentially be available for industrial uses. That land is likely a more desirable location for a future industrial park, although securing the rights to it would be a process that should start soon.

An industrial park of this nature would require an entity as the lead, presumably but not necessarily the city, to obtain the land, prepare a land use plan, install the infrastructure and then either sell, lease or potentially provide parcels free of charge as an incentive if the proposed company is a target industry or employer. The recruited company takes possession of the land and builds their facility. The possibility of a spec building is also something the city could consider, partnering with a bank or other financial resources, although the very nature of a spec building makes third part funding difficult. An industrial park itself, however, is a speculative venture that requires significant patience as returns are not guaranteed and can take many years.

Funding for such a park could come from different sources. In particular, the Economic Development Administration's Public Works and Economic Adjustment program could potentially be tapped to assist with this financing. The city should be advised that the EDA provides this assistance to "distressed" communities. The criteria for a distressed community are generally higher unemployment, lower wages and an event, such as a major hurricane. Ingleside could make a strong case for the impacts of Hurricane Harvey creating distress and the time horizon for qualifying as such is undefined. It is unlikely that tax increment funding could not be used since the park would likely be owned by a public agency. There may be other sources of patient money (private financing) or even federal transportation enhancement grants that could assist in this endeavor.

More importantly, this recommendation is made as a starting point for the city to consider how it might attract tier two and three suppliers to Ingleside.

**Action Plan Recommendation Number six: Take immediate steps to identify appropriate industrial sites for tier two and tier three suppliers and consider the long-term development of an industrial park to have pad ready sites for smaller companies.**

1. Develop a database of available industrial buildings and land with industrial infrastructure, noting those parcels that are "pad ready" for development. This information should be on the city's website and available to the regional partners and companies seeking sites in the community;
2. Purchase and zone a flat parcel of at least 20 acres for the purpose of attracting companies that are tier two or tier three suppliers to the large industrial companies located along the La Quinta ship channel.
3. Plan the park for minimum three acre parcels, plus or minus, to allow for multiple small industrial facilities. The larger the parcel, the larger the allowable buildings;
4. Identify funding for sewer, water and road access into the park based upon a site plan developed by the City of Ingleside, to make the parcels "shovel ready;"

5. Identify funding for sewer, water and road access into the park based upon a site plan developed by the City of Ingleside, to make the parcels “shovel ready;”
6. Consider the Economic Development Administration’s EDA-2018 Disaster Supplemental, dated April 10, 2018 for funding infrastructure into this park (note any matching requirements);
7. Market the park through the major companies along the La Quinta Channel who would have an interest in having vendors and customers near them;
8. Should State Highway 200 become a reality, consider locations along this new highway. The proximity to the various plants along the La Quinta Channel and the lack of apparent land use issues make a site along this proposed highway ideal;
9. Consider the northeast corner of FM 1069 and Morgan as it has existing infrastructure along Morgan and potentially FM 1069. This site also does not appear to present any access management issues with respect to FM 1069;
10. There is also sufficient property around the airport but there was not an apparent sewer line that extended to the area. In addition, it appears that the airport is outside the corporate limits of Ingleside which could present issues for a city owned industrial site, but are nevertheless suitable to attract companies that do not need a shovel ready site;
11. The city should develop a long-term plan, as part of an overall economic development strategic plan, to recruit suppliers for the area's primary industries. This plan should include, at a minimum, available and appropriate sites, the electrical and natural gas infrastructure available at either buildings or identified parcels, the target industries that "fit" the city and whether or not the city believes it would be possible and appropriate to offer any assistance to attract such companies.

#### Section Eight

## **The Strengths, Weakness, Opportunities and Threats facing Ingleside, May, 2018**

During the site visit to Ingleside May 14 to May 17, 2018, the following observations were made relative to the strengths, weaknesses, opportunities and threats (SWOT) of and to the local economy. This SWOT analysis is based upon interviews with local stakeholders and observations made during the visit. It was used in the development of the actions steps recommended in this report and to provide local decision makers with the perspective of how a visitor looking closely may see Ingleside. It does not include any observations or judgements made regarding specific individuals.

### **Strengths of the Ingleside economy**

- The Port of Corpus Christi is a vibrant, growing port with significant potential. Ingleside sits on the north shore of the Port (Corpus Christi Bay) and it has coastline available for economic development uses. The La Quinta Channel, which was recently extended, is 45 feet deep allowing for the movement of large vessels and ocean-going equipment. The Fulton Channel is currently being dredged for the same purpose. Both channels serve the Ingleside area, providing a very unique natural asset that attracts significant interest from companies that need coastal access;
- The community has and continues to attract a significant number of primary jobs (jobs that export a product or service), driven by the growth along the north shore of the Port of Corpus Christi, as briefly discussed above. There are prospects for additional job creation projects under consideration.

- Ingleside enjoys the assistance of strong regional partners, specifically the CCREDC, the SPEDC and the Port of Corpus Christi. Regionalism is increasingly vital in economic development and the three external partners are all very professional, efficient, effective and respected. These entities generally include Ingleside in their recruitment projects due in large part to the availability of port facilities, available large tracts of land, the potential for rail service and its proximity to the Corpus Christi area;
- The community is served by the Union Pacific Railroad, a class one railroad that services the primary employers;
- McCampbell-Porter Airport just outside the city limits is a very useable general aviation airport with a 5,000 foot runway, fixed based operator and sufficient lighting and navigation equipment;
- Prior to Hurricane Harvey, the cost of living, more specifically the cost of housing, was lower in Ingleside than in neighboring communities. It is still too early to determine how Harvey will impact housing costs in Ingleside in the short and long term;
- American Electric Power (AEP) serves the Ingleside. Based upon interviews, they performed very well in the aftermath in restoring power to the area. The company is well regarded and is an asset to the region;
- The City of Ingleside contracts with the County of San Patricio for water and waste water treatment. The city generates a certain percentage of the city's budget from the sale of water and wastewater services and further growth within the city has the potential for growing the city budget;
- Ingleside has available funding for economic development activities through available 4b funding, managed by the Ingleside Development Corporation;
- The Ingleside Independent School District is well regarded both within the city and in the region. Good schools are an extremely important asset to a community that wishes to grow its population.

### **Weaknesses of the Ingleside Economy**

- The impacts of Hurricane Harvey continue to be felt. Rebuilding is taking a long time due largely to delays in insurance payments, the difficulty finding contractors to do the needed work and the shortage of state personnel and appraisers associated with the Texas Windstorm Insurance Association. Cleanup is almost done but the focus on the limited city staff has been understandably on immediate needs, not long-term recovery;
- The community is currently a net importer of workforce. This is unusual in a community on the periphery of a larger metropolitan area. The lack of a workforce extends not just to the primary employers in the area, who have filled their positions with commuters, but also local employers who have faced severe consequences for the lack of a workforce, in some instances temporary closure or reduction in business activity due to a lack of available workers.

- Ingleside is not served by a freeway or a similar transportation artery. The freeway that connects San Patricio County to Corpus Christi, State Highway 35, runs through Portland, Gregory and Aransas Pass but passes no closer than five miles to Ingleside;
- There is a shortage of housing in the area, made worse by Hurricane Harvey which damaged single family, multi-family and temporary housing options. Housing developers who have considered the area note the lack of infrastructure to support housing projects as a major reason for their decision not to build in the community;
- Medical services are non-existent in Ingleside. There is currently no hospital, urgent care or even pharmacy in the community. All medical needs require residents and businesses to leave the community. This has an impact not only on residents who need health care, potential residents who may decide against living in Ingleside due to the lack of health care, as well as Ingleside residents who work in the health care field and must commute elsewhere for work;
- There have been recent changes in key management positions within the City of Ingleside. The City Manager, the Police Chief and the City's Finance Director have all changed within the last year. This is particularly problematic during a recovery period;
- The community currently does not have a comprehensive economic development program or a staff person with economic development as their primary duty. Attraction is handled by regional partners, the IDC oversees the Facade Grant program for small business, and other elements of economic development are left to chance. Ingleside does not have an economic development strategic plan to define their goals or implement their vision;
- There are currently no true industrial sites ready and available. Any company wishing to locate to Ingleside will have to develop a site from scratch. This may not be an issue for the larger primary employers who would expect to do this anywhere, but it could be a formidable challenge to smaller companies, particularly those who serve as tier two and tier three suppliers and service companies to the large employers. There is also little industrial inventory in the community and no rail served sites;
- Workforce centers, workforce training (with the exception of welding schools) as well as all colleges and universities are located 35 miles away in Corpus Christi. There is no one stop option for employers and employees to find each other. The distance to training centers and higher education makes employer participation in those programs difficult and often leads to residents not returning to Ingleside after training. Perhaps more significantly, the distance keeps many residents from seeking training opportunities, thereby limiting their employment opportunities;

### **Opportunities for the Ingleside Economy**

- The new jobs that continue to be created in the Ingleside area as a result of the growth along the La Quinta and Fulton Channels of Corpus Christi Bay provide an opportunity to attract retailers, services, medical providers and a percentage of these workers to new homes that could be built in Ingleside. This new industry attraction is typically the most challenging aspect of community growth;
- The regional need for housing in the Corpus Christi region should attract the attention of housing developers. Ingleside can position itself for some of this expected growth;

- There appears to be the potential for tracts of land to be developed or made available for further industrial growth, retail growth and residential growth. The community is not land locked, other than on the south where it borders Corpus Christi Bay, an enviable barrier;
- Available funding to assist the community in rebuilding after Hurricane Harvey is currently available. These funding sources include but are not limited to the Economic Development Administration, Rebuild Texas, Lift Fund, Community Development Block Grants and other sources. This provides a very good opportunity for the community to establish a strong recovery program if it can build the capacity to leverage these resources;
- The upcoming State Highway 200 will open up additional industrial land. This should have the benefit of providing the opportunity for further industrial development and should ease traffic congestion within the community. Local business people, however, warn that retail uses should not be approved along the route out of concern for diverting traffic away from existing Ingleside businesses. The City of Ingleside can control this through proper zoning;

### **Threats to the Ingleside Economy**

- The growth of jobs along the La Quinta and Fulton Channels will attract more people to the area. This growth could go exclusively to neighboring communities if Ingleside does not position itself to attract a portion of that growth. Theoretically, the growth of other communities is not a threat to Ingleside but the reality is that often when surrounding communities grow at a much faster rate, it creates a cycle of residential out-migration in the community not developing that is difficult for communities to correct;
- The growth of large industries in Ingleside can be both a blessing and a curse. The community can be proactive in taking the steps outlined in this report (as well as other steps that can be identified in the community) to become a city of choice. Cities experiencing the kind of industrial growth facing Ingleside, without a complimentary growth in residential development, run the risk of becoming nothing more than industrial zones or areas. This should not happen to Ingleside but the threat cannot be ignored;
- Insurance claims relative to Hurricane Harvey are reported to be very slow to resolve. As the 2018 hurricane season begins, there is concern that any further storms could further complicate claims made as a result of Harvey;
- Potential increases in Windstorm insurance rates in the aftermath of Harvey could present a real challenge to housing development in Ingleside as home insurance rates could increase dramatically. The Coastal Bend was already facing pressure due to high rates from previous windstorm premium rates;
- The growth in industrial development, as noted above, does indeed serve to attract people to the area. This may create the risk of the development of so-called Colonias neighborhoods in unincorporated pockets and lands, particularly to the north and west of Ingleside. This has become a major issue in the Rio Grande Valley and the city should work with the county to insure that appropriate zoning is in place before it becomes an issue for Ingleside.

## Section Nine

### **Conclusion**

The action steps outlined in this report, with the exception of the potential for an industrial park, are recommended as steps to generally take right away. They are not meant to be a substitute for a more long range approach to the city's economic development needs. As referenced earlier, there is a very clear relationship between the type of economic development a community wants, and pursuing those goals with clear planning, levels of funding consistent with the desired outcomes and ongoing management of those efforts.

This report is not a strategic plan. Strategic plans are developed through a much more extensive community wide, consensus building approach that involves a deeper level of involvement from stakeholders than was possible in this assessment. Every community should have a strategic plan, lest it simply allow others to control its destiny. In the case of a community recovering from a disaster such as Hurricane Harvey, a strategic plan, and perhaps a long-range recovery task force, would certainly be beneficial.

The focus of this report has been on action items that would make a more immediate impact. Economic development is often seen as an immediate fix for a community's challenges while in reality, it is a long term process that requires patience and funding. No two communities are alike when it comes to economic development since no two communities share the same economic context. This is why the strong emphasis on developing an economic development program in Ingleside, through the hiring of a position to address immediate grant needs and long term economic development opportunities, is stressed so heavily. Continued partnership with the regional partners remains essential as they have largely been responsible for the unique economic opportunities at Ingleside's doorstep. So, too, is a recognition that the no one can look out for Ingleside's needs as well as Ingleside and the regional partners do not have the capacity to handle the bulk of Ingleside's economic development needs which are internal to the community.

These recommendations will require a commitment and resources. Some will require a more detailed plan of action. Most will require additional city staff or contracts. Should this prove to be problematic for any reason, the steps are discrete enough that elements of all of them can still be pursued independently. There will undoubtedly be different approaches to the issues discussed. There are sure to be innovative ways that were not mentioned herein, and there will probably be areas of disagreement that the civic leaders of Ingleside legitimately decide to handle in a different manner than addressed in this report.

The critical element in all of this is that Ingleside recognize the opportunities it has, the issues that need to be addressed, the fact that decisions about how to proceed must be made, and that no action is, itself, a decision.

Ingleside is indeed fortunate to have passionate leadership at both the city and civic level. It is fortunate to have a committed yet financially-limited chamber of commerce. It is fortunate to have regional partners who have proven the strategic importance of Ingleside within the great Corpus Christi region. The community has responded well to the challenges of Hurricane Harvey. The next step is to shift the community's focus to the potential at its doorstep, and to make the commitment to take control of the community's future.

## Acknowledgements

Texas hospitality is often a source of pride for people in the Lone Star state. The author found this trait to be very much on display before, during and after the site visit. In particular, a special thanks are due to Jane Gimler, the President/CEO of the Ingleside Chamber of Commerce. Her coordination and hosting of meetings and tours was invaluable to this process. In addition, the welcoming assistance of the City of Ingleside, from Mayor Ronnie Parker, Interim City Manager Florencio Pena, several key city staff people and the members of both the Ingleside City Council and the Ingleside Development Board is deeply appreciated. Thanks are also due to Tommie Kurtz with the Corpus Christi Regional Economic Development Corporation, who played an important role in launching this assessment and in providing regional data and relevant studies used in the evaluation of the community. In addition, Foster Edwards with the San Patricio Economic Development Corporation provided important county level guidance as did San Patricio County Commissioner Howard Gillespie.

Several local companies and businesses provided their time for interviews and their comments and perspectives were valuable and appreciated. Finally, special thanks to Louise Anderson with the IEDC for her very professional and helpful overall management of this project.

## The Author

David J. Myers, CECD, is the Executive Director of the Ponca City Development Authority (PCDA) an IEDC accredited economic development organization (AEDO) in Ponca City, Oklahoma. He has been in the economic development field for over 25 years holding senior leadership positions with the Los Angeles Economic Development Council, the City of Palmdale, the Greater Antelope Valley Economic Alliance, and PCDA. He specializes in micropolitan and suburban economies and has performed assessments in six communities on behalf of the IEDC. He holds a Master's degree in Conflict Management and Negotiation from California State University, Dominguez Hills and a baccalaureate Degree in Political Science from California State University, Northridge. He was voted the Outstanding Economic Developer in the State of Oklahoma in 2008 and has served in numerous leadership positions with professional economic development organizations at the state and national level.

**Action Plan Recommendations****RECOMMENDATION #1: HOUSING****Action Plan Recommendation Number One: Develop programs to attract more housing to Ingleside**

1. Consider programs that could assist residents and landlords of multi-family properties in reaching insurance settlements for Hurricane Harvey damage to restore the existing housing stock as soon as possible. This could include informational charrettes with expert speakers on working with insurance companies, contractors, city zoning codes, any available assistance programs (i.e. the Coastal Bend Community Foundation) and so forth.
2. Expand the capacity of the water treatment plant serving the city;
3. Expand the capacity of the waste water treatment plant serving the community;
4. Identify specific tracts of land within the City of Ingleside that are on or near existing infrastructure that are capable of providing twenty or more lots;
5. Identify the owner or point of contact of those parcels and insure that there are no zoning impediments to the production of housing on the lots.
6. Identify potential sources of funding for extending any needed additional infrastructure for the treatment plants as well as to the desired residential tracts to off-set development costs (i.e. TIF);
7. Consider zoning steps to encourage new housing development in the community. These steps could include density bonuses, infrastructure reimbursement agreements, reduced setbacks (zero lot lines, etc.), incentive zoning and other potential steps. See the American Planning Association for more concepts and details;
8. Build a marketing program aimed at and delivered to housing developers for the attraction of single family and multi-family housing projects for the City of Ingleside. Include building the awareness of existing companies located in Ingleside, available land, great schools, the commuting population (the number of people who drive into Ingleside every day that could be living there) and so forth.

**RECOMMENDATION #2: ADD A GRANT/ECONOMIC DEVELOPMENT POSITION****Build the Management Capacity of the City of Ingleside by adding a full-time position to manage grants, housing and economic development projects for the City of Ingleside.**

1. Apply for a grant from Rebuild Texas to fund a position for one year, reporting to the City Manager, to identify and manage federal, state and foundation funding aimed at housing and economic development needs;
2. Work with the City's Emergency Management Coordinator to ensure that the needs of business and employers are being met with respect to Hurricane Harvey relief efforts;
3. With this position as staff lead, strengthen the regional approach to economic development, transportation, housing, primary employer business retention and expansion, attraction projects, analytics and other needs and issues by continuing to work closely with the San Patricio County Economic Development Corporation, the Corpus Christi Regional Economic Development Corporation and the Port of Corpus Christi. This position should become to the "go-to" person in Ingleside;
4. Fund the position after the first year through either general city funds and/or supplemented 4b funds, to develop an ongoing economic development program (the following steps are recommended as the core of that program);
5. Under the direction of the City Manager, permanently staff the IDC and manage the Façade program as well as other small business development programs including coordination with existing small business development programs at the regional and state level;

6. Consider developing a business incubator in Ingleside to help start-up businesses launch, particularly those that could be suppliers to existing primary employers in the community;
7. Develop a business retention and expansion program that includes, at a minimum, regular visits with the largest employers in the community. Manage appropriate response to issues identified through those visits as well as the development of a data base to build both emergency contact information and other relevant information provided by the companies to help build the local supply chain through small business growth or attraction;
8. Working with the IDC, develop a long term economic development strategic plan (long term recovery plan) that builds consensus with other stakeholders in the community and the region;
9. Serve as the coordinator of the recommended actions relative to workforce (see recommendation number three);

### **RECOMMENDATION #3: WORKFORCE**

**Action Plan Recommendation Number Three: Develop a workforce development program through a proactive approach to workforce information and training coordination and advocacy.**

1. Inventory existing workforce training programs in Ingleside (i.e. welding schools, programs within the high school);
2. Inventory skills training at Del Mar in Corpus Christi to identify the existing programs that Ingleside residents could attend to prepare for local jobs and from which local employers could recruit;
3. Contact companies to determine the available jobs and the skills needed for those jobs. Create a page on the City of Ingleside web site that remains current and lists those available positions;
4. Serve as the point of contact for school personnel, companies and individuals who want to connect with regional training programs;
5. Conduct a tour or tours, once a year, for high school teachers and counselors of one or two large Ingleside employers to help local education professionals understand the opportunities in Ingleside and the requirements of local employers;
6. Work with San Patricio EDC and/or the county and regional partners to at least recruit an American Jobs Center to the county, if not a true one stop as envisioned by the Workforce Innovation and Opportunity Act of 2015;
7. Work with San Patricio EDC and/or the county and regional partners to develop a future workforce training center (a sub campus of Del Mar) in the county.

## **RECOMMENDATION #4: SMALL BUSINESS DEVELOPMENT**

**Action Plan Recommendation Number four: Expand the existing programs to increase the development of small business in Ingleside to promote development in the business district, to promote home grown opportunities for Ingleside residents, and to attract tier two and tier three suppliers to the areas primary employers.**

1. Continue to manage and promote the Business Façade program. Allow recent decisions regarding the program time to build an awareness of the rules and consistency in the program;
2. Consider the development of a business incubator run by the City and funded by 4b funds. The location of the incubator could be in the former city hall building (assuming it can be sufficiently repaired) or a similar building of 5,000 square feet, (+/-). The elements of a business incubator are available from many sources including the National Business Incubation Association and will not be repeated here;
3. As an alternative to using the former City hall for a business incubator, consider the potential for establishing a city or non-profit owned "shared work center" in that building;
4. Maintain an inventory in the proposed economic development office of available buildings, storefronts, etc. that can be used to facilitate the attraction of small business to Ingleside. Such an inventory should include elements such as electrical capacity of the site, parking, doors, ownership and zoning at a minimum;
5. Working with Del Mar in Corpus Christi, conduct a business plan competition for San Patricio County, in Ingleside. Provide certain incentives for the winner to open that business in Ingleside;
6. Consider the potential for facilitating and forming the following:
  - a. A Business Plan competition in Ingleside
  - b. a One Million Cups" club in Ingleside
  - c. An Inventor's Club in Ingleside'
7. Consider launching an "Economic Gardening Program" in Ingleside or encouraging the developing of such a program in San Patricio County in which Ingleside would be a part.

## **RECOMMENDATION #5: PLACEMAKING**

**Action Plan Recommendation Number five: Develop plans to promote placemaking in Ingleside for the purpose of attracting and retaining population**

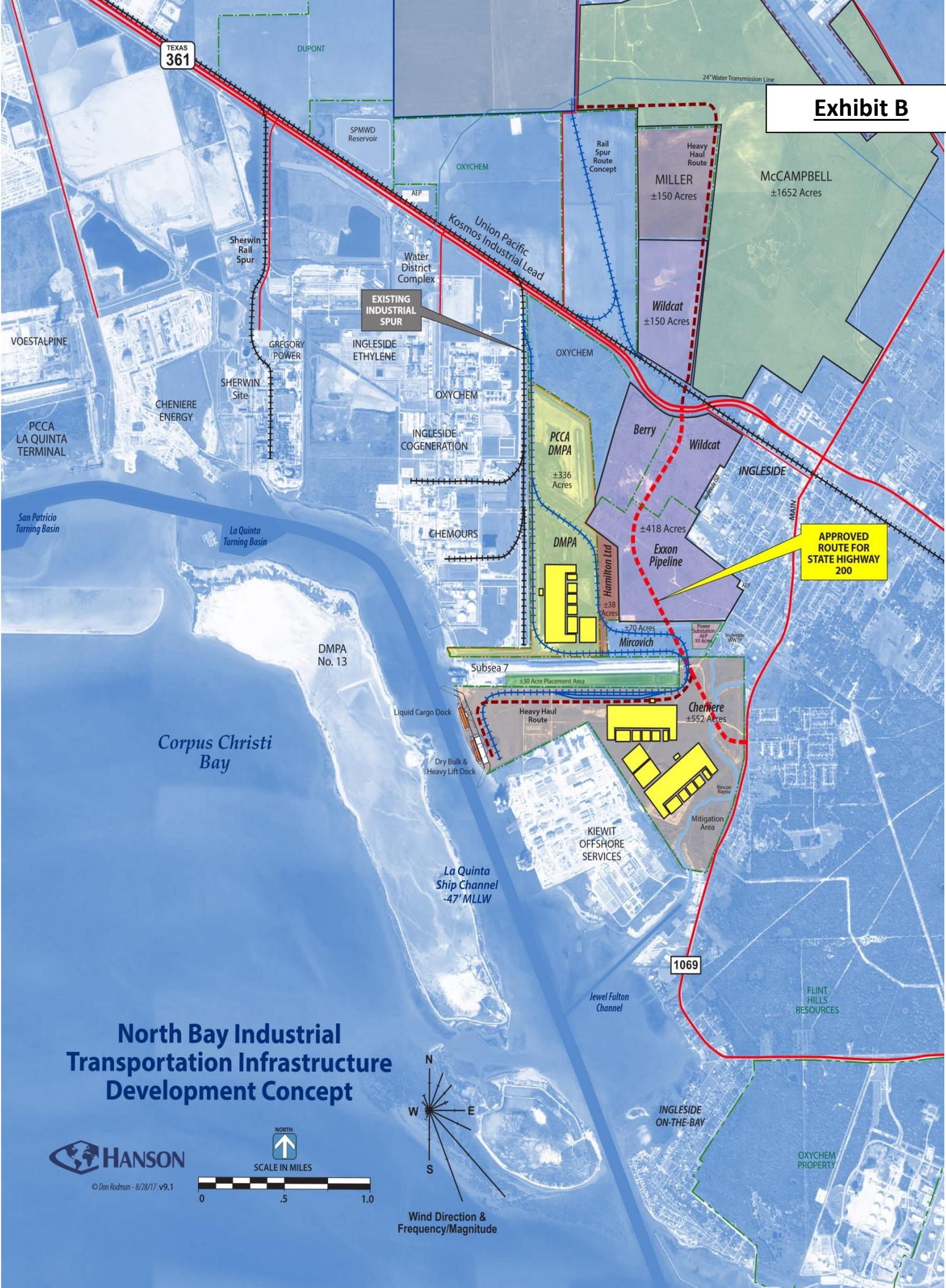
- 1) Determine unmet retail and entertainment needs and develop a plan to attract them including a determination of what Ingleside would be willing to do to recruit them. This could include incentives through the IDC, the provision of land, certain zoning benefits (higher density, lesser set-backs, etc.);
- 2) Work with regional medical providers on recruiting an urgent care center to the community;
- 3) Work with HEB on expanding the existing store at Highway 361 and FM 1069 and, in particular, add a pharmacy to an expanded HEB store, unless a stand-alone pharmacy is recruited;
- 4) Develop a plan to update and improve Cove Park as a regional attraction;
- 5) Install wayfinding signs throughout the community to direct visitors to Cove Park, Like Whitney and Lone Oak Park;
- 6) Consider targeting the façade program for specific properties or types to enhance blighted properties in significant areas of the city;
- 7) Consider a new location for City Hall that could provide an enhancement to a "Main Street" environment either on Highway 361 or along FM 1069, on the Bay side of the tracks;
- 8) Continue Strong code enforcement efforts in residential areas and continue aggressive grass cutting areas along Highway 361 and FM 1069;

## **RECOMMENDATION #6: INDUSTRIAL LAND AND BUILDINGS**

**Action Plan Recommendation Number six: Take immediate steps to identify appropriate industrial sites for tier two and tier three suppliers and consider the long-term development of an industrial park to have pad ready sites for smaller companies.**

1. Develop a database of available industrial buildings and land with industrial infrastructure, noting those parcels that are “pad ready” for development. This information should be on the city’s website and available to the regional partners and companies seeking sites in the community;
2. Purchase and zone a flat parcel of at least 20 acres for the purpose of attracting companies that are tier two or tier three suppliers to the large industrial companies located along the La Quinta ship channel.
3. Plan the park for minimum three acre parcels, plus or minus, to allow for multiple small industrial facilities. The larger the parcel, the larger the allowable buildings;
4. Identify funding for sewer, water and road access into the park based upon a site plan developed by the City of Ingleside, to make the parcels “shovel ready;”
5. Identify funding for sewer, water and road access into the park based upon a site plan developed by the City of Ingleside, to make the parcels “shovel ready;”
6. Consider the Economic Development Administration’s EDA-2018 Disaster Supplemental, dated April 10, 2018 for funding infrastructure into this park (note any matching requirements);
7. Market the park through the major companies along the La Quinta Channel who would have an interest in having vendors and customers near them;
8. Should State Highway 200 become a reality, consider locations along this new highway. The proximity to the various plants along the La Quinta Channel and the lack of apparent land use issues make a site along this proposed highway ideal;
9. Consider the northeast corner of FM 1069 and Morgan as it has existing infrastructure along Morgan and potentially FM 1069. This site also does not appear to present any access management issues with respect to FM 1069;
10. There is also sufficient property around the airport but there was not an apparent sewer line that extended to the area. In addition, it appears that the airport is outside the corporate limits of Ingleside which could present issues for a city owned industrial site, but are nevertheless suitable to attract companies that do not need a shovel ready site;
11. The city should develop a long-term plan, as part of an overall economic development strategic plan, to recruit suppliers for the area's primary industries. This plan should include, at a minimum, available and appropriate sites, the electrical and natural gas infrastructure available at either buildings or identified parcels, the target industries that "fit" the city and whether or not the city believes it would be possible and appropriate to offer any assistance to attract such companies.

**Exhibit B**



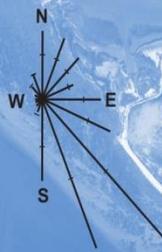
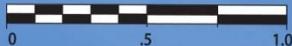
**North Bay Industrial Transportation Infrastructure Development Concept**



© Dan Rodman - 8/28/17 v9.1



SCALE IN MILES



Wind Direction & Frequency/Magnitude

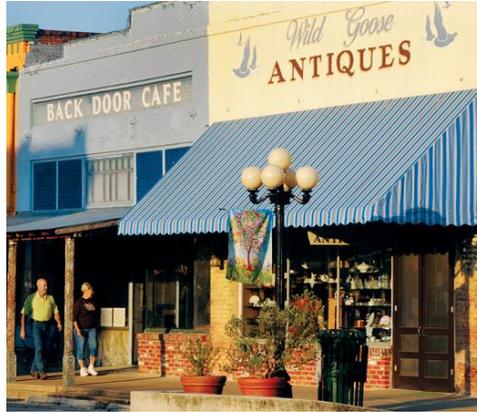
# Exhibit C

## Regional Industrial Support Infrastructure



# SMITHVILLE

T E X A S



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**July 2018**

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# Introduction

Smithville represents the best of what rural Texas has to offer like small town charm, neighbors helping neighbors in times of trouble, community coming together for events and parade and a great place to raise a family.

That said, flat Population, Household Incomes, Median Home Prices, and Educational Attainment have been the norm for the last 20-years. Included in the City’s Comprehensive Plan in 2007, and updated in 2009 and 2012, there have been 24 short-term and 24 long-term Goals under consideration. The broad areas for the Plan include Business Development, Historic Preservation, Sustainability and Environmental Issues, Volunteer Development, Parks and Recreation, Education, Housing, and Transportation.

**City of Smithville Vision:** Our vision is to maintain a small-town sense of community while encouraging positive growth and continually improved standards of living for the citizens of Smithville, Texas.

**City of Smithville Values:** Respect, appreciation, and regard for citizens and the environment open, honest communication teamwork within City government and support of all community-based organizations innovation and improvement

**City of Smithville Leadership Philosophy:** Focus on the customer. Invest in our workforce. Meet targeted financial and administrative goals.

## Goals identified in the 2011-12 Comprehensive Plan

“In Process”: 1 = just started to 5 = nearly finished; “x” = continual

For items “seeking grant funding” – it is not possible to take care of these in the City’s current budget, but we are always working to find funding from other sources to try to get the job done.

### Short-term Goals

TASK	Complete	In Process	No Champion	Notes
1. Purchase way finding signs		5		NEA GRANT
2. Purchase blue highway information				
3. Add the ARTS to the billboard and other marketing campaigns to draw in more people	X			
4. Continue to develop the relationship with the Hyatt to bring more tours to Smithville		X		
5. Further develop Heritage Tourism Program	X			
6. Apply for a Cultural District Designation through the Texas Commission on the Arts and investigate the potential to participate in the Texas Historical Commission’s Texas Main Street Program	X			
7. Establish “Historic Preservation and Design Standards Advisory Committee”	X			
8. Review and update codes and ordinances related to historic preservation		2		
9. Create a “Smithville Historic Landmark Designation”	X			
10. Create ‘How to’ Guides for recycling and alternative energy solutions for residents and businesses	X			
11. Sign the Zero Waste Resolution and Interlocal Agreement with the Zero Waste Alliance			X	

TASK	Complete	In Process	No Champion	Notes
12. Conduct regular volunteer workshops and upload workshop notes for public use			X	
13. Upload the Cities of Service 'Volunteer Smithville' report to the web to showcase volunteerism				Possibly didn't migrate to new system... need to check
14. Utilize the Volunteer Manual created by Voluntology				As above...
15. Add a pavilion and restore the concession stand at MLK Park		Seeking grant funding		
16. Install an irrigation system and improve lighting at ball fields and other park locations		Seeking grant funding		
17. Install a playscape and restore the concession stand and bathrooms at Keilburg Park		Seeking grant funding		
18. City and SISD leaders should hold regular workshops to identify opportunities to work together.			X	
19. Survey residents and employees of local businesses on housing related topics		3		Chamber is undertaking project
20. Investigate and address infrastructure needs in residential areas		X		
21. Review the 2007 Comprehensive Plan for additional recommendations	X			
22. Create a 'Quiet Zone' through Smithville to mitigate train whistles				Not possible to do due to cost constraints
23. Install warning light on SH 95 by High School				TXDOT determines need
24. Address the Walk light at Main and Loop 230	X			
25. Resurface Loop 230	X			

### Long-term Goals

TASK	Complete	In Process	No Champion	Notes
1. Consider purchasing a trolley / working with CARTS to transport visitors between Riverbend Park and Downtown during events or for use on other occasions			X	
2. Encourage the development of small industrial parks where zoning and neighbors allow		1		Under consideration
3. Establish a virtual office / park and work in the downtown area Develop a business incubator		1		Under consideration
4. Establish an alternative movie venue			X	
5. Update incentive policy to meet changing expectations		2		
6. Consider hosting a 'Taste of Smithville' and encourage other partners to develop new events		4		
7. Develop financial incentives for appropriate rehabilitation work		5		Facade Grant in place
8. Seek grant funding for projects identified in the SECO Feasibility Study, including solar lights on Main Street; a scrap-tire recycling facility; weatherization of public buildings; a composting compound; and a solution to household hazardous waste through working with Bastrop County.				HHW Facility is complete  Still trying to put things together on other issues.
9. Continue to develop relationships with educational institutions and work on the elements of the training program outlined in the SECO Training Plan.		X		
10. Work with City Council and other partners to identify and prioritize opportunities to help Smithville become increasingly self-sufficient into the future,		X		

TASK	Complete	In Process	No Champion	Notes
and promote the cost savings and other benefits to sustainability programming.				
11. Establish an annual Volunteer Appreciation Event			X	
12. Establish a 'Skills' database of volunteers	X – with notes			Migrating what City did over to Chamber for better maintenance
13. Seek funding for hike/bike path along Gazley Creek at Independence Park Change landing zone surfaces and bathrooms to meet ADA requirements		Seeking grant funding		
14. Install playground equipment for 8- to 12-year-olds at MLK Park		Seeking grant funding		
15. Connect Riverbend Park to town with willing private partners		X		
16. Continue to work with Texas Parks and Wildlife on the paddling trail		X		
17. Develop a Long-Range Improvement Plan for park facilities		1		
18. Provide incentives for local business to offer internship opportunities		1		
19. Expand vocational training opportunities				Working with SISD
20. Promote opportunities for higher education				Working with SISD
21. Promote community and parental engagement in education				Working with SISD
22. Develop a Corridor Study for improvements to SH 95	X			Study is complete/ working on grant funding for construction
23. Complete Safe Routes to School projects and implement pedestrian improvements identified in 2007 Comprehensive Plan		Seeking grant funding		
24. Improve safety and signage at Riverbend Park access on SH 71		3		Signage through NEA grant
25. Make improvements to railroad crossings				Need UP/LCRA help

**The most consistent themes found in the Conclusions of the Comprehensive Planning Process are summarized below:**

Business Development is a key challenge for Smithville. It is critical to foster economic growth to make Smithville an attractive destination for new residents by supporting the existing businesses in town as well as attracting new ones. The City and Chamber of Commerce need to take ownership of this and invest the resources necessary to position Smithville for smart economic growth and new opportunities.

Community members and local public officials have identified Historic Preservation as the primary tool for boosting Business Development because it offers a terrific destination for a wide variety of visitors including its burgeoning identification as a film destination, historic tourism, and the “charm” factor that is attractive to many potential new residents.

Environmental Sustainability is a primary goal for the City because it can be difficult to generate much enthusiasm from the general public on vague environmental benefits. The City should lay a foundation for success through a broad public outreach and informational campaign.

Smithville is blessed with citizens that are engaged in their community, however, Volunteer Development should not be taken for granted. Smithville must continue to reach out to current, past, and potential volunteers to recognize their service, inform them of ongoing needs, and sustain its great tradition and spirit of volunteerism.

Smithville has excellent Parks and Recreation facilities that must be considered an investment in the community, not just a cost. Park amenities increase quality of life, improve property values, and make Smithville a desirable community for potential residents and Business Development.

Education is the most fundamental component to prepare Smithville for a successful future. By providing a high-quality education that meets the needs of students and the business community, Smithville will become a very desirable destination for residents and Business Development.

Housing in a community with a stagnant population can be enormous challenging because of the difficulty in generating interest in marginally profitable development. The City should work to ensure adequate and appropriate housing for all residents. Citizens have declared safe and adequate Transportation infrastructure as a priority for the City to undertake and believe it is critical to fostering Business Development and improved quality of life. Smithville faces two important issues in this respect: major thoroughfares are State controlled roads, and an active rail line bisects the town making solutions for maintenance, repairs and improvements vicariously through outside entities. Recognizing the political nature of this challenge is important to success.

### 2011-12 Comprehensive Plan Summary of Short and Long-Term Goals Status



# Smithville Area Chamber of Commerce - Strategic Plan

2017 – 2020

Since its inception in 1923 the Smithville Area Chamber of Commerce's influence has been a vital and successful part of the Smithville business community. To ensure a secure and sustainable economic future the Chamber has developed a strategic plan that will address current and future initiatives, goals and partnerships.

Smithville's rich history of hard-working friendly people, locally-owned small businesses, and strong public-private partnerships remains inherent in its culture of community and home. Expansion along the Highway 71 corridor, creation of a medical complex area and attraction of home developments are key to Smithville's economic growth. A rise in interest in Smithville's Central Business District has led to added interest in membership in the Smithville Area Chamber of Commerce with new businesses opening throughout the Chamber's trade area. Smithville's close proximity to the Austin-Bergstrom International Airport and Austin provide Bastrop County residents with ease to fly anywhere in the world or visit downtown Austin's cultural center within a 40-minute drive. "Smithville, a BIG small-town experience" could not be truer declaration for current business owners and residents as well as people that are looking for a "small town" life while being close to a large metropolitan area.

VISION: That Smithville is a premier place to live and work in the region and beyond.

MISSION: To prepare, develop and promote the community for economic growth and continue to retain existing businesses.

VALUES:

- Strategic – Thinking long term for the best interests of the organization and members.
- Innovative – Applying creative approaches to challenges.
- Collaborative – Working with others to create effective partnerships.
- Transparent – Promoting openness and access to information.
- Diverse – Respecting all members and valuing different experiences and backgrounds.

## **STRATEGIC PLAN:**

The primary objective of the Smithville Area Chamber of Commerce is to work to promote, create and enhance business and economic opportunities for our members.

### **GOAL 1: ENHANCE MEMBERSHIP PARTICIPATION AND VALUE**

Objective 1: Be a vital resource to the business community.

Initiative 1: Continue to further develop the Chamber's website and use of all social media regarding business related resources and connections.

Initiative 2: Develop additional partnerships with organizations and entities that can offer assistance and benefits to the business community. WSSISD/CAREER FAIR/SEDC/SHOP LOCAL PROGRAM

Initiative 3: Develop and continue educational and networking opportunities for members and potential new members.

Objective 2: Strengthen the Chamber through increased memberships and member retention by being an advocate for member businesses and strengthening member benefits.

Initiative 1: Develop a prospective membership plan for attracting new members via understanding their needs and values, from young professionals to retirees. Chamber 101/Networking is key.

Initiative 2: Continue to evaluate and benchmark the feasibility of offering new membership programs.

Initiative 3: Enhance the Member 2 Member Discount program and encourage members to utilize other member's goods and services.

Initiative 4: Create a strong Ambassador & Board Buddy Program.

Initiative 5: Grow annual luncheon to quarterly luncheons with eye on monthly luncheons by 2021.

Initiative 4: Work to draw members to Chamber 101 class and Lunch & Learn opportunities.

Objective 3: Allow for organizational transparency.

Initiative 1: Develop an Annual Report and communicate such on the Chamber's website and via other communication methods. STRATEGIC PLAN WITH GOALS MET.

Initiative 2: Provide pertinent organizational information at the Chamber's quarterly luncheons & Banquet.

## **GOAL 2: PROMOTE ECONOMIC AND SUSTAINABLE BUSINESS GROWTH & MARKETING**

Objective 1: Create Economic Development Committee and staff with community leaders, Chamber leaders, city leaders, county leaders (begin with workshop)

Objective 2: Support the mission and goals of economic development partners including the City of Smithville and Bastrop County.

Initiative 3: Utilize and cultivate existing partnerships, and engage in new partnerships, that improve and enhance economic and community growth. SEDC/TRADE SHOWS/SHOP LOCAL PROGRAM

Initiative 4: Further develop resources for business expansion, relocation and start-up via website or other marketing materials.

Initiative 5: Ensure the Economic Development Committee is properly resourced & funded and aligned with supporting economic growth. MEMBER SPONSORSHIPS VIA INVOICE/CITY/CHAMBER

Initiative 6: Continue to promote Smithville through marketing efforts.

- Streamline brochures, update SV Visitor Guide/Business Directory/SV Map, Signage
- Create a Tourism sub-committee to brand Smithville's tourism efforts toward Destination Eateries, Specialty Shopping, Charming B&B's and Outdoor Activities.

## **GOAL 3: STRENGTHEN THE ORGANIZATION**

Objective 1: Strengthen the Board of Directors.

Initiative 1: Utilize the Executive Committee to identify and recommend ideal and complimentary new Board members (with focus on business owners).

Initiative 2: Create a Board Policy Manual and provide new Board member orientation.

Objective 2: Encourage staff development and succession planning capabilities.

Initiative 1: Provide training and professional development learning opportunities.

Initiative 2: Provide annual performance reviews.

Initiative 3: Create a succession plan for Executive Director.

# June 19, 2018

## Initial Observations

### ECONOMY

Smithville is a small town on the eastern edge of the Austin-San Marcos MSA with a proud heritage, a very strong Chamber of Commerce and welcoming spirit. It has not benefited from the tremendous growth typically associated with this area of Texas, primarily due to being just outside the current commuting pattern to Austin and Houston.

Smithville has an amazingly robust economy having added 20 new businesses in the last 3-years and negotiated very creative Development Agreements with private developers for a mixed use commercial district, a 50-home subdivision and the potential exists for a 70-acre industrial park.

Additionally, Smithville has had a damper on its ability to plan and manage its municipal budget having had six disaster declarations in the past five years, the most recent being when Smithville received 23.58 inches of rain from Friday through Monday, as Tropical Storm Harvey pounded southcentral Texas. Recovery efforts from wild fires and floods have drained the municipal reserves typically found in cities the size of Smithville.

### INFRASTRUCTURE

Smithville owns the electric delivery system within the city limits, that generates significant excess revenues which are used to supplement the City's \$1.6M annual operating budget. The City has the legal rights to purchase ample raw water supply from the Carrizo-Wilcox aquifer and currently stores 56% more water that is historically consumed on any peak day to date. The City has two relatively small wastewater treatment plants with a combined 65% excess capacity, however, this currently underutilized system will reach capacity levels demanding a third plant be built when all the proposed new development comes online. The major infrastructure constriction is storm water management. While five Drainage Mitigation Grants totaling \$5.0M are either near completion or approved for FEMA funding, according to a recent Halff & Associates study, another



\$15.0M worth of work needs to be done before Smithville can be considered safe from flooding episodes below the 100-year level.

**COMMUNITY DEVELOPMENT PROGRAMS and ASSETS**

**Arts and Tourism** - Smithville has succeeded in becoming the first “Film Friendly” city in Texas and to date has had 75 movies and videos shot in town. Additional kudos go to Smithville for being named a “Cultural District”

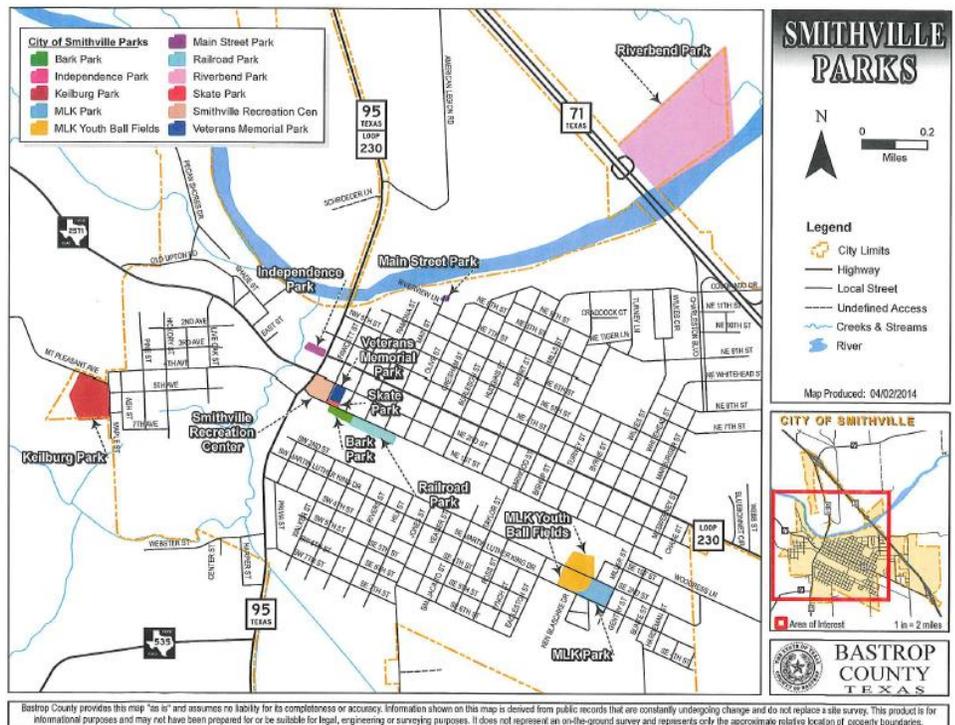


by the Texas Commission on the Arts. Both distinctions have helped stimulate the local economy as events and activities eb and flow through town.

**Public Education** -The citizens recently approved a \$35.0M bond for the Smithville IDS to build a new junior high to serve grades 6-8; a new multipurpose athletic complex to support physical education, football, track, soccer, band, and special events; and renovations and additions to existing schools to minimize the use of portable buildings, improve safety and security, and support 21<sup>st</sup> century learning.

**Recreation** – Smithville’s efforts to boost the local economy include several strategies for capitalizing on Parks and Recreation. Ten City Parks and one State Park are included in the following refreshing outdoor venues:

- **Smithville Indoor Recreation Center** which has a standard gymnasium and theatrical stage, well equipped with meeting rooms, a kitchen, racquetball court, weight and cardio rooms. **Vernon Richards Riverbend Park** has a walking trail, fishing pier, barbecue pits and picnic tables near the river. The “Chuckwagon Square”, has a covered stage, dance floor, washer and horseshoe pits, a 9-hole disc golf course, lighted softball field, sand volleyball pits for team play. A rodeo arena and full bathroom facilities. Nineteen RV hookups are also available.
- **Veterans Memorial Park** and **Splash Pad** is dedicated to this Veterans in Bastrop County, and is dedicated to the men and women from Smithville and Bastrop County who perished during the War on Terrorism. In 2010, this Park became a focus for Smithville, a community that had lost more soldiers per capita than any other. Privately funded, the park is a great place to enjoy the memorial to veterans, a "place to pay tribute, and a place to pray for peace."
- **Rail Road Park** includes the gazebo at the end of



Main St., playscapes, swings, tree-shaded picnic tables, a couple of historic train cars and public restrooms.

- Keiburg Park is “On the Hill,” and has a standard size baseball field. It is also used for softball and soccer.
- Independence Park was built as a monument to Thomas Jefferson Gazley and other pioneers and is dedicated to their independent spirit, the freedom of mind and body, and the integrity of action that our forefathers exhibited during the early days of Smithville history.
- MLK Park is dedicated to the late Martin Luther King and has a playscape, basketball court, picnic tables, barbecue grills, and is host to a number of community events. Public restrooms are open during the day. The Smithville Little League plays at the baseball fields nearby with concession stands.
- Buescher State Park is a 1,100-acre paradise just northwest of Smithville. Activities include; non-motorized boating, fishing, hiking, biking, kayaking, canoeing, camping with family, restrooms, hot showers, water and electricity hookups, shelters, picnic sites, and a playground. A 100-person capacity recreational hall has a full kitchen, heat, air-conditioning, fans, a patio, a fireplace, and a restroom. Limited use cabins with full restrooms only a short walk away.

**Affordable / Workforce Housing** – In early 2017 Bastrop County Cares, a non-profit advocacy group, launched an ambitious project aimed at better understanding the housing issues facing all cities in the county. The outcome of this initiative was 33 recommendations asking for more buy-in and financial support from the County, area Chambers of Commerce, CAPCOG, area Housing Authorities, Capital Area Housing Finance Association, Bluebonnet and Aqua utilities, and area ISDs. It is unclear where all these initiatives stand with respect to Smithville.

Among other things, the rather large number of recommendation called for:

- Adopting affordable housing development goals for the county and jurisdictions,
- Improving the development processes in each of the cities and the county
- Collaboratively developing a one stop shop for homebuyers/renters looking for affordable housing.
- Being a strong advocate with developers to link affordable housing incentives to developments.



## **ECONOMIC DEVELOPMENT**



The Chamber of Commerce has recently created a standing Economic Development Committee which focuses primarily on keeping current businesses healthy and promoting their continued growth. This group markets the City for new investment in tourism, retail, restaurants and entertainment. They are also interested in recruiting medical, manufacturing and data centers.

The members are a very engaged and active force in Smithville working closely with the City staff and Council.

## STEPS AND DATES USED IN THE ACTION PLANNING PROCESS

**May 31, 2018** – Met with several members of the Chamber’s Economic Development Committee at City Hall. I asked each member to give me their definition of “Economic Development for Smithville” in rank order from 1<sup>st</sup> to 3<sup>rd</sup>.

### Discoveries

List of #1 responses: Tourism continuation, annexation for residential development, Strong Business Retention & Expansion program, job creation, and housing.

List of #2 responses: Job creation, residential development (southside affordability), affordable housing.

List of #3 responses: Residential housing, event support, recruit a motel.

Responses from this meeting were widely diverse but the strongest theme was the need for residential development. Key issues are:

- Currently any relatively nice house is sold before it even gets a sign put up.
- Little to no inventory of entry level single-family houses.
- Little to no multifamily housing.
- Houses are priced above the reach of most first-time buyers and many in the local workforce.

**June 18, 2018** – Met with Robert Tamble, City Manager and Jack Page Jr., Public Works Director

### Discoveries

City Manager: Robert has a great handle on the key issues facing the City. He spoke of many initiatives currently underway which, once completed, will greatly enhance the economy of Smithville. Specifically:

- Cappella Retail, Hotel, and Multifamily Housing Project. (Pictured)
- Hurta Development of 50 home sites for mid to upper mid-level new home construction, 1/3 of which will have access to the Colorado River.
- Privately-owned 70-acre Industrial Park that has recently been served by sewer and water.
- New nursing home complex about to begin construction.
- Five storm water mitigation projects underway.
- Storm water study completed that calls for a total of \$20M in construction projects to significantly reduce damage from storm water drainage.



Director of Public Works: Jack has an enormous amount of history relative to the water, wastewater, storm water, streets, and the City owned electrical deliver system. That said, actual maps of these systems are not radially available.

### Issues

Smithville is proud to have the lowest property taxes in Bastrop County. Key issues are:

- Six Disaster Declarations in the previous five years (three floods and two wild fires) have left the City's reserve funds dry.
- 60% of the City's \$11.6M Budget is funded by revenues generated by City owned utilities specifically the electrical distribution system. The other 40% comes from Sales Tax, Property Tax, Permits and Fees.
- The water storage system has a 600K gallon tank that will likely fail in the next 3-5 years.
- Sewer collection system is very old and needs significant repairs and upgrades.
- Upon completion of forecasted development, the wastewater treatment plants will become oversubscribed and TCEQ will demand a third plant be built.

**June 21, 2018** – Had lunch at, and toured, the MD Anderson Cancer Center Research facility. Met Jeff Pease owner of Bone Spirits Distillery and was given a tour. Met with Jill, April, and Robert to finalize agenda for the Large Group meeting at 6:00PM. A very diverse group of 54 people showed up for the Large Group meeting consisting of small business owners, Realtors, interested citizens, historical and arts volunteers, government staffs, healthcare, and School District staff and elected officials.

The agenda called for the Mayor, City Manager and Chamber Director to briefly review all the great things currently underway in an effort to make sure the evening was focused on the positives not negatives of Smithville. Tim led the group through a very rapid-fire SWOT plus asked them to identify Assets, Liabilities, and Resources. Attendees voted for the SWOT characteristics they think are most important.

Next the group was divided into four small groups and asked two questions. Using a scale of 1-5 (with 1 being not very and 5 being extremely) "Rank how competitive Smithville is today?" and "Rank how competitive Smithville should be tomorrow?" The meeting concluded with Tim sharing definitions and distinctions between 1) Community and Economic Development and 2) Branding and Marketing. The meeting lasted two hours.

### **Discoveries**

- **Strengths**
  - Historic Integrity - 19
  - Locally-Owned, High Quality Businesses - 19
  - Strong Community – 18
- **Weaknesses**
  - Vacant Buildings Downtown – 25
  - Not Capitalizing on the River – 25
  - Available Affordable Housing – 19
- **Opportunities**
  - Fill Downtown Building – 28
  - Build a New Community Swimming Pool – 15
  - Diversify Local Business – 13
- **Threats**
  - Uncontrolled Growth
  - Loss of Small Town Charm
  - Corporate Retail, Entertainment and Restaurants Displacing Locally Owned
- **Liabilities**
  - Aging Infrastructure – Sewer and Storm Water
  - Population Loss Due to Lack of Affordable Housing

- **Assets**

- Public Library
- Strong Connection to Downtown
- Strong Elected and Volunteer Leadership

- **Resources**

- Colorado River Access
- Talented Entrepreneurs
- Willingness to Come Together and Make Solid Plans

- **Competitiveness**

When asked “on a scale of one to five, one being least competitive,” groups were asked to provide a score of how competitive Smithville is today and how competitive the groups hopes Smithville will be in the future (“tomorrow”):

- The average score for today was 2.5
- The average score for tomorrow was 4.3

### **Issues**

This lively group was very positive and identified the following key issues in ranked order:

- Generally speaking the participants said they wanted to nearly double their economic development competitiveness.
- Voting used during the SWOT – LAR portion of the meeting identified the following three issues as being their top concerns in order:
  1. Redevelopment of downtown.
  2. Address aging infrastructure specifically storm water drainage.
  3. Increase available single and multi-family housing to include affordable and market rate products.

**June 21, 2018** – A group of 21 people, most of whom had participated the night before, met to create action plans for the three priority topics. Tim led the group through a system of planning titled “The End is the Beginning.” Participants self-selected one of the three topics and organized themselves into three small groups. Each group was given a final step and asked to work backwards identifying the step they needed to complete just before the final set and continue working backwards until they arrived at what they agreed on would be the first step. Additionally, the groups estimated the time necessary to complete each step, how much each step would cost, and finally who or what entity would be responsible for executing each step. The three final steps were:

**Downtown** - Have a ribbon cutting event to celebrate the opening of 10,000 sf of redeveloped retail, office, and housing space in downtown Smithville.



**Infrastructure** - Complete all the drainage projects called for in the Halff & Associates report in half the estimated 20-year timeframe.



**Housing** - Complete a plan to encourage housing solutions that bring the marketplace into parity. (*Parity means a balance of supply and demand for all types of housing.*)



The participants created three detailed action plans using this “Back Casting” method in just over one hour. Tim summarized their work in the following three Gantt Charts.





# Housing Project

Select a period to highlight at right. A legend describing the charting follows.

Period Highlight: 1  Plan Duration  Actual Start  % Complete  Actual (beyond plan)  % Complete (beyond plan)

ID	ACTION STEPS	RESPONSIBLE PARTY(S)	ESTIMATED COST FOR STEP	PLAN START	PLAN DURATION	ACTUAL START	ACTUAL DURATION	PERCENT COMPLETE	PERIODS IN MONTHS																																														
									1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47
1	Create a Housing Task Force	Chamber, City, Bastrop County Cares, and Consultant	\$ -	1	2	0	0	0%																																															
2	Clearly define each type of housing. I.e. Affordable, Workforce, Entry Level for single family and multi-family.	Task Force	\$ -	1	1	0	0	0%																																															
3	Create a RFQ to hire a consultant(s) to Update and customize the Housing Study completed by Bastrop County Cares.	Task Force	\$ -	2	2	0	0	0																																															
4	Hire Consultant	Task Force	\$ 30,000	3	2																																																		
5	Inventory current supply of all types of housing stock.	Consultant	\$ -	5	3	0	0	0%																																															
6	Study the supply and demand for housing of all types and prices specifically include teachers, City employees, blue collar, and seniors.	Consultant	\$ 5,000	6	3	0	0	0%																																															
7	Re-examine City Zoning relative to all types of housing in the historic District, City Limits, and ETJ	Consultant, City	\$ -	2	6	0	0	0%																																															
8	Report findings of steps 5, 6, and 7 to all interested parties	Consultant, City, City Council, Task Force	\$ -	8	1	0	0	0%																																															
9	Review and possible re-write of Zoning Ordinance to allow for alternative materials and construction types. Modular, Tiny House, and Recycled	Task Force Consultant, City, City Council, Task Force	\$ -	9	6	0	0	0%																																															
10	Pass new Zoning Ordinance	City Staff, City Council, City Attorney	\$ 1,000	15	1	0	0	0%																																															
11	Create a plan to gain clear title to vacant residential lots	Task Force, Consultant, City Attorney	\$ 2,000	5	4	0	0	0%																																															
12	Execute the title plan on an estimated 100 properties. \$1,000 per property	City, City Council Attorney	\$ 100,000	10	36	0	0	0%																																															
13	Identify target builders and developers and create a plan to market residential opportunities nationally.	Task Force, Consultant	\$ -	9	3	0	0	0%																																															
14	Prepare materials and execute the marketing plan	Task Force, Consultant	\$ 6,000	12	36	0	0	0%																																															
15	SELL FOR REASONABLE PRICE \$20-25k South side \$30k Hill North side			0	0	0	0	0%																																															
			\$ 144,000																																																				

# APPENDIX

1. List of People Tim Interviewed
2. Agenda for June 20, 2018 Large Group Meeting
3. Attendance for June 20<sup>th</sup> Meeting (54)
4. Minutes of June 20<sup>th</sup> Meeting
5. Attendance for June 21<sup>st</sup> Small Group Round Table Meeting
6. Minutes for June 21<sup>st</sup> Small Group Round Table Meeting
7. SEDC Minutes Of June 26, 2018
8. EDP Smart Growth Self-Assessment for Rural Communities (furnished by Miriam Vaugh)

## 1. List of People Tim Interviewed

- Sheri Lee Axtell, CRA, Director of Operations Smithville Science Park (MD Anderson Cancer Center)
- Cassie Barrientos City Council member
- Luis Bosche, Owner of Tiger Gym
- Cheryl Burns School District Superintendent
- April Daniels, Chamber Executive Director
- Debbie Denny Media Consultant
- Bill Gordon, City Council member and Real Estate Developer
- David Herrington Community Leader
- Rhonda Janak, City Council member
- Adena Lewis, Director Bastrop County Tourism & Economic Development
- Linda Liebowitz, Katy House
- Joanna Morgan, Mayor Pro Tem and EDC member
- Jack Page Jr., Director of Public Works
- Jeff Pease, Bone Spirits Distillery
- Robbie Rabe, Hospital Administrator
- Deborah Rogers, Blue Bonnet Electric Cooperative
- Scott Saunders, Jr., Mayor and Farmers Insurance Agent
- Elaine Seidel, Realtor and EDC member
- Jill Strube, City Grants Administrator
- Robert Tamble, City Manager
- Gwendolyn Watkins, Realtor and EDC member

**2. Agenda**  
**Smithville Economic Development**  
**Strategic Planning Work Session**  
**Facilitator: Tim Chase**  
**June 20<sup>th</sup>, 6PM @ City Hall**

1. **Welcome**
  - a. Introductions around the room
  - b. Explanation of the IEDC Project, Tim's role, and anticipated deliverable(s)
  - c. Introduce Tim Chase
2. **Review of Accomplishments to date**
  - a. City Comprehensive Plan
  - b. Chamber Plan
  - c. Status of existing commercial and residential developments
3. **Situational Analysis – SWOT-LAR**
  - a. Strengths
  - b. Weaknesses
  - c. Opportunities
  - d. Threats
  - e. Liabilities
  - f. Assets
  - g. Resources
4. **Definition of Economic Development** – Large group conversation
5. **Small Group Discussions** – (5-8 per group)
  - a. How competitive are we today?
  - b. How competitive do we want to be tomorrow?
  - c. What kinds of businesses are not a good fit for Smithville?
  - d. What kinds of businesses are a good fit for Smithville?
  - e. Other
6. **Wrap-Up**
  - a. What we learned.
  - b. What we agreed on.
  - c. What we disagree on.
  - d. Next Steps.

*Brought to you by:*



### 3. Attendance for June 20<sup>th</sup> Meeting

June 20, 2018  
Economic Development Workshop

	Name	Organization	Email or Phone
1	Ewendalya Watkins	Realtor	
2	Mike Morgan		
3	Jocanna Morgan	City Council	
4	Tawney Steinhilber	Capella Banker	
5	RON MARTIN	R	
6	Carol Snyder	(and HIPPS Agency) Smithville Hearing Society	
7	Joni Axtell	The University of Tennessee Knoxville Business	
8	Kelly Holt		
9	Markus Schuler	usche@att.net	
10	Nelson Schuler	NS@hcc.edu	

June 20, 2018  
Economic Development Workshop

	Name	Organization	Email or Phone
1	Ted Lohrman	Citizen	
2	Willy Culbertson	Artist	
3	Mark Baste	citizen	
4	David J. Kennedy		
5	William A. Gordon	City Council	
6	Peggy Anderson	Mapes LHA	
7	Dennis Koch	Citizen	
8	Yvette Rodgers	Realtor	
9	Juan Polanco	citizen	
10	Annette Anderson	citizen	

June 20, 2018  
Economic Development Workshop

	Name	Organization	Email or Phone
1	Reann Blusell	Bellevue	
2	Karen Boeck	UMH Clin	
3	Adrian Lewis	Bellevue County	
4	Joni Horton	Smithville Community	
5	Judith Berg	COS/Libra	
6	Jean Kiemenschneider	BEDC	
7	Letha Mignor	Citizen	
8	Tahquill Chess	Realtor	
9	Nancy CATHMAN	Propane & Volunteering	
10	Nancy Toney	SISD Tru	

June 20, 2018  
Economic Development Workshop

	Name	Organization	Email or Phone
1	James Bruno	Smithville Community Church & Olympic Cottage Care	
2	Raymond Hallock	St. Paul's Health	
3	Tracy Campbell	SISD Trustee	
4	Miriam Vaughan		
5	Barton	Business Owner	
6	Lois Warren		
7			
8			
9			
10			

NAME	SEMI	
Tim Chase	Tim	
Caroline Noga	ca	
Teri Quance	ter	
Steve Simmons	st	
MARIE LEACH	m	
JANIE RICHARD	ja	
LISA DAVIS	li	
Teri Wuslett	te	
WALTER WINSLET	wa	

Send note to Britanie Oliver

## 4. Smithville Economic Development Workshop (Notes)

Facilitator: Tim Chase

June 20, 2018

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Tim says... “Smithville has it going on” – lots of enthusiasm and partnerships

PowerPoint presentation on updates (not included)

We have housing and business development in the pipeline.

### Situational Analysis

#### Strengths

- Strong Community
- River
- Airport
- Oak and Pecan Trees
- Hospital
- Unique Independent Businesses (not chains) Locally owned businesses
- High quality businesses
- High percentage of volunteerism
- Strategic Location – Austin-Houston Corridor
- Strong ISD – small size makes it easier for people to be involved, good teacher/student ratio
- Aesthetics – look and feel / Historic Integrity
- Clean Air
- City is Business-Friendly
- Community Pride

#### Weaknesses

- Recycling – not enough
- Vacant Storefronts
- Storm/Sewers -- Infrastructure
- Affordable Housing
- River Utilization Issues (cannot access)
- Appearances (property owners – people are not tidy– aesthetic standards, consistency, lack of code enforcement)
- Property tax hikes on people who have lived here for so long
- Limited retail
- Division of town by Railroad Tracks – Railroad bifurcation
- Traffic noise on Loop 230
- Location as a weakness – too far from Austin/Houston to comfortably commute, close enough to Bastrop for shopping, but not comfortably so

#### Opportunities

- Fill all Main Street Storefronts
- Connect both parts of town – bike/pedestrian
- Development along 71 corridor
- Growth for diverse, unique businesses

- Healthy outdoor activities
- Capitalize on unique workforce: Apparel, artists
- Tourism growth
- Youth recreation
- Railroads for commuter train (Austin – Houston)
- Swimming Pool

Threats—what might make it more difficult to attain opportunities

- Money
- Large corporate retail/restaurants/chains/big box stores
- Difficulties with Citizen Collaboration
- “Corporate” tourism making us seem more like Fredericksburg – type of tourism could make Smithville not unique, threat is that we become the same as other towns – cookie cutter – loss of authenticity, charm, character
- Loss of charm (look and feel), authenticity
- To fill storefronts need cooperation of people who are holding on to them to use them for storage units... downtown real estate ownership
- Failing businesses, lack of support to existing businesses
- Threat from Austin moving to town
- Poor/undesirable/undirected/unfettered growth
- Negativity and lack of open-mindedness
- Gentrification
- Fear of taxes – that it would cost more to do it, escalating operating costs
- Limited workforce

Liabilities – real constraints

- Disasters – city coffers have been diminished
- Stressed, antiquated infrastructure – drainage, water, sewer, internet, cell service, sidewalks
- Unrealized talent, unfocused talent: People don’t always know their worth in the community, and don’t know how they can contribute to the community
- Lots of Naysayers
- Affordable housing, multifamily housing, senior housing

Assets

- Best library in the county
- Airport
- Hospital
- Recycling Center
- MD Anderson
- State Park
- Public Park System
- City of Smithville leadership here – believe in the community and what
  - Volunteer, Staff, and Elected
- Chamber of Commerce Rocks! Does a great job with limited resources
- More resources for the indigent (upgraded Food Pantry, Smithville Community Clinic)
- Land and buildings that could be buildable

Resources (Time, money, participation...) – what could be used in a different way than they are today that could result in achieving some of the opportunities

- River access – River Walk

- Overabundance of intelligent, creative individuals – talent
- Focus energy on entrepreneurship
- Ministerial Alliance – faith based community – so many churches work together to help the community – right understanding, they could resource in other ways
- Ability/willingness to participate in comprehensive/strategic planning
- Local Grant Writer
- Resiliency

#### Three Pillars of Economic Development

- Grow what you currently have
- Recruit something from outside
- Organically start something new

#### Table Discussion:

How Competitive is Smithville Today? 1 = not much at all, 5 = extremely

- Table 1: 2.5
- Table 2: 2.15
- Table 3: 3
- Table 4: 3
- Average: 2.6625

How Competitive do you want to be tomorrow 1=not much, 5 = extraordinary

- Table 1: 5, but if we can keep it the way we want it
- Table 2: 3.5 – from 1 to 5 on the table
- Table 3: 4.5 with unique type and possibly medium-type stores at 71
- Table 4: 4.5 very competitive but with unique edge
- Average: 4.35

There is a difference between community development and economic development

Community development is the product you have to sell – you are selling Smithville

In a market place that is very competitive, the product must be a good value (not necessarily cheap) – value in the customer’s eye

Customer tells us if they are willing to buy what we are selling

If we think our sales are not as high as we would like, then we have to change the product to what the customer desires.

Community development can be infrastructure, health care,

Economic Development is the act of taking the product to market

Here’s the product, did some improvements, tested it, now we want to take it to the marketplace to sell it

- Branding (NOT marketing – branding is about how we are unique in the marketplace and what makes people want to come here)
- Take the brand to the marketplace through lots of different doors (act of marketing)... social media and traditional means

Lots of assets and resources, lots of good stuff going on

We have a lot of choices ahead and need guidance over which direction we want to choose – can be scary!

People are afraid to make mistakes... HOWEVER...

Fail early, fail fast, fail often on your way to success

Whatever action items/steps towards the future, it's all towards the betterment of the future. Soon as we find out that this isn't making the mark, it's ok – we can move to try something different

Just need to say it didn't work, but we keep moving

Strategic planning is a CONTINUOUS PROCESS – constantly, consistently changes and keeps on getting updated

Tomorrow: 2PM at First National Bank

Will work backwards to get action plan together

Assign resources and “bellybutton” (“champion”)

P&Z / Council workshop to review proposed zoning ordinance changes on Tuesday 6/26 at 5:30PM

### 5. Attendance for June 21<sup>st</sup> Meeting

June 21, 2018  
Economic Development Roundtable

	Name	Organization	Email or Phone
1	David H. Harrington		
2	Jeanne Morgan		
3	Caroline Noyes		
4	Carol Snyder		
5	Nancy Cochran		
6	Adele Lewis		
7	Renee A. Blewett		
8	Juanita Bergman		
9	Guadalupe Watkins		
10	Teri Quance		

June 21, 2018  
Economic Development Roundtable

	Name	Organization	Email or Phone
1	Robert Tambak	CITY	
2	Casie Barrantes	CITY	
3	Letha Mignon		
4	Ted Letour		
5	April Daniels	SV & C	
6	Maggie Leary		
7	Judith M. Bergeron		
8	Jim Horton		
9	Torquill Crews		
10	William A. Gordon		

June 21, 2018  
Economic Development Roundtable

	Name	Organization	Email or Phone
1	Stet Sanders	Mayor	
2	Benson Roberts	Businessman	
3			
4			
5			
6			
7			
8			
9			
10			

## 6. Economic Development Round Table (Notes)

Facilitator: Tim Chase

June 21, 2018

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Opening exercise

- Think about what you want Smithville to look like in 10 years
- Think about what you would need to do to make that happen in the next 5 years – commitment of funds/resources
- Patience is a virtue in this respect – it may not be realistic to think about getting certain things done within 18 months.

Talk about your last step first – what does it look like

Then talk about all the steps that had to happen before the final step and work back from the end – assign a time period, funding, and a person responsible for getting things completed during each step.

From last night, or three priorities are:

1. Downtown Development
2. Infrastructure (aging infrastructure—especially sewer, and storm water/flooding mitigation)
3. Housing (market rate, workforce housing, low-moderate income, multi-family, senior, etc.)

Break into three groups, people can choose groups

*Downtown Development*

Final Step: Ribbon Cutting of 10K sq. ft redevelopment including retail, office, housing

Resource for this group: April Daniels

*Infrastructure (Drainage)*

Final Step: Complete the final drainage projects called for in the Halff Associates Report (in half the time)

Halff presented 6 long-term projects for Smithville that will be \$20M over the next 15-20 years

Resource for this group: Robert Tamble

*Housing*

Need to achieve balance so there's the right amount of supply to meet the demand.

Healthy market is 90 days, around here

Final Step: Encourage market solutions to bring the market into parity

Resource for this group: Jill Strube

Small groups worked on action steps to get to the final step and reported back to the full group.

**Jobs Discussion:**

- How much does ONE job effect the economy and how much spin off effect does that one job provide
- How many new dollars are generated into the economy due to selling products outside of the community – export job
- Service job (Secondary jobs): you sell me hamburgers and I sell you shirts
- Direct, indirect, induced jobs
- With service jobs, you don't get many multipliers

- Export jobs (primary jobs)

**Committee vs. Task Force Structure:**

- Committees always want to talk and go home, but might not get much work done.
- Task Force will have beginning, middle, and end, with lots of work, limited time frame and limited number of meetings to get something done –

**Final Advice:**

Fail fast, fail early, fail often with what Task Force develops – then move forward to the next thing – learn from mistakes, take up on momentum on things that work...

Please participate in continuing conversations  
 Tuesday 8:30AM at First National Bank

**7. Smithville Economic Development Committee (SEDC)  
 June 26, 2018**

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**UPDATE:** Internet access will be available throughout all the parks at the Chamber

**Billboard:**

- Billboard is up about a mile out of LaGrange – lit 24/7
- The same cover will go at the location outside of La Cabana
- Three are up, one will be completed in the next few months – total of four billboards on Hwy 71

**“Welcome/Come Back Again” signs at all three entrances:**

- City is partnering with Chamber and generous stone mason who will donate all the stone for the Welcome sign at the triangle between Smith’s Supply and the Airport at the Hwy 71 exit from Bastrop
- A second stone sign will go near the Hospital
- The Heart of the Megalopolis sign will go at the SH95 entrance near the High School

**P&Z Ordinances Workshop Info:**

- Planning and Zoning Workshop on ordinances will happen tonight at 5:30PM @ City Hall, including a public meeting afterwards to hear what people have to say about it
- Best way to give your input is to attend these meetings

**Tourism Subcommittee / Roundtables:**

- Texas Association of Convention Bureau will lead workshops
- If you are interested please sign up with April

**Tim Chase’s presentation:**

*General Discussion:*

- People have been very engaged and interested in this project
- 90% of Economic Development is “getting ready” – you are getting ready to get luck
- Consultant decisions are essentially created by “process of exclusion” – that means they will throw out 90% of the applicants

- Any time there is the least bit of obstacle, they will give up on the community before giving any time to give it a chance
- Once they get here, you switch from Marketing the community to Selling the community

*Review of City Comp Plan Summary:*

- Infrastructure is critical and will need to plan for systems to fail in near future
- Community Development Programs are fantastic
- Number of parks is great – features and benefits of the parks are great amenities
- Long term goal: To get people to understand that parks and recreation is not just an expense but it's an investment – can fall out of priority, but citizens need to appreciate the amenities for what it is

*Review of Chamber Strategic Goals – updated on a monthly basis*

**REMEMBER:** Economic Development: Selling a product in the marketplace – must be perceived as a good value by the consumer.

If no one is buying what you are selling, then you need to change what you are selling – need to provide service the customer wants for them to be interested in buying it

*Deliverable:*

- Tim's deliverable is not a Strategic Plan, but Action Steps
- The 6/20 Workshop showed that the participants were most concerned with three main issues: Downtown Development, Infrastructure, and Affordable/Workforce Housing
- Two of the three priorities have been mapped out as Action Steps
- We can workshop the excel spreadsheets among our group to move things in the right order and add steps and so on
- Deliverable is not just a strategic plan but a set of action steps that can be undertaken
- Tim has started the "Downtown Development" and "Infrastructure" (to be changed to "Drainage") Gantt Charts

*Funding Discussion:*

- PID: 50%+ of landowners are willing to invest and buy into the concept of economic development – if you don't have the buy-in, it will be more difficult to do downtown redevelopment... may be easier for outside consultant to look into it than for someone from Smithville to investigate this.
- TIRZ – increment financing to be used for a project
- Sarah: need to do some visionary stuff to figure out how we want to grow before we investigate the particulars of some of these funding mechanisms

**Jeremy Zaborowski with LCRA**

Wholesale power side of LCRA

*Impacts of Program:*

- Incentives like this helps Smithville be competitive
- Helps LCRA grow their market as well
- Calculations are done annually so board makes decisions on it on a yearly basis
- Attracting new customers helps to distribute the costs – provides discounts to everyone while giving specific discount to business

*Incentive Program: Economic Development Discount Rate on power*

- New businesses moving in or existing businesses that are expanding within the first three years
- Eventually reduces costs to customers because it spreads the load
- Two requirements

- Minimum power threshold – about the size of a smaller Bucky’s
- Buy-in from the community supporting the project
- Application must come through the City, although Jeremy will speak with any business to get started
- Relatively new program
- Approved effective July 1 for this year
- They are willing to work with city and business for when the date to start applying the date will actually work best
- As long as it’s LCRA customer service area the discount will apply
- Bluebonnet would also get the discount
- School is in the City but uses Bluebonnet – Ana will take the program to financial officer
- Schools can be harder to “fit” but this might work
- Prices are worked out with individuals – pricing is confidential built into energy schedule
- Jeremy would be able to let us know what their pricing would be if we get an RFP/RFI
- LCRA already has competitive pricing
- LCRA is cost based – can only charge customers enough to recoup their costs
- Need to have a single entity to meter – would not apply to apartment complex – may apply to a hotel if the load were sufficient
- What would qualify:
  - Expansion could qualify but the expansion itself needs to qualify (not what they are doing now plus expansion)
  - Bastrop’s Bucky’s would qualify
  - Small manufacturer... small industrial might work
    - Zabel may qualify, maybe distillery, cement manufacturer, CenTex—depending on projected electric needs

## **8. EDP Smart Growth Self-Assessment for Rural Communities (furnished by Miriam Vaugh)**

This self-assessment will be extremely useful as Smithville continues along the Economic Development path. The EPA link to this 63-page assessment is: <https://www.epa.gov/smartgrowth/smart-growth-self-assessment-rural-communities>

## **San Augustine Regional Economic Partnership (SAREP)**

### **Planning for Economic Growth in the Region**

This outline of an economic development strategy is intended to function as a series of action items that will be pursued by the San Augustine Regional Economic Partnership (SAREP) and to conform to the economic development strategy laid out in the Texas Forest Country Partnership Stronger Economies Together (SET) Strategic Plan. It also depends heavily on the data and information garnered through visits, or interviews, with numerous business and community leaders as well as from experience in the economic development field by Jim Fram, CEcD, CCE, FM, assigned to work with San Augustine by the International Economic Development Council (IEDC) and funded by the Economic Development Administration (EDA).

The SAREP Strategic Plan includes some input from the SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis along with some coordination of action items.

The SAREP should be organized as a 501 © 6 nonprofit corporation with the following partners providing a voting member to the Board of Directors:

San Augustine County	San Augustine Chamber	CHI Memorial Hospital
DETCOG	City of San Augustine	Broadus ISD
City of Broadus	San Augustine Historical Commission	
San Augustine ISD	East Texas Electric Coop	Texas Forest Country Partnership

Care should be taken to add Ex-officio Board members (non-voting) to include representatives of elected officials from the Texas Legislature representing the area.

Organize a fundraising effort into a structured, multi-year commitment from investors and list benefits for investing at various levels and document a return on investment to be included in an annual report. It is essential to form SAREP as a Public/Private Partnership receiving funds from both public and private sources.

We also recommend identifying and employing a “CEO” for SAREP who will be responsible for implementing this strategy. Provide adequate housing for this effort in an up-to-date, high profile location.

The “CEO” of SAREP should organize and coordinate activities with an informal “cabinet” of staff from the city, county, chamber, education institutions, healthcare, and political offices.

## **SWOT Analysis**

Prior to putting together any kind of achievable strategy we must have a starting point. This is customarily done through a facilitated Strengths, Weaknesses, Opportunities, and Threats process. The community of San Augustine has recently gone through this in the process of establishing the SET Strategy, so we didn't think it prudent to repeat the process. In an opening presentation, we asked the audience of about 30 community, business, and political leaders to provide their opinions in each of the categories and this list followed:

### **Strengths**

- Water
- Garden Club
- Fishing/Recreation
- Historic sites and trails
- Agriculture Industry
- Forest Land
- Hospital
- Oil & Gas Industry
- Highway 96
- BNSF

### **Weaknesses**

- Broadband/Cell Service
- Housing
- Parks
- Low tax base (lots of exempt Gov owned land)
- Transportation

### **Opportunities**

- Oil & Gas
- Lake Shore line development
- Restoration of Historical sites
- Education
- Movies/Filmmaking

### **Threats**

- No Central Clearinghouse
- Rural VS Urban
- Aging Population
- Jobs/Workforce
- Infrastructure

This proposed strategy contains elements that are attainable and that dove-tail with the SET Regional Economic Development Strategy.

# Strategic Plan for Economic Development

## **General Economic Development Actions**

- Create a unified, coordinated marketing and advertising plan.  
Coordinate logos, message, brand with all the economic development organizations. We need to all appear that we are in the same place.
- Create a “Target Business Analysis”.  
Determine businesses that would be a “good fit” and be compatible with San Augustine’s workforce, location, and position as a community.
- Create a Retail Strategy for the County.  
Compile and keep updated demographic information needed by retail developers such as traffic counts, available sites & buildings, etc.
- Secure additional property for business recruitment and expansion.  
“You can’t sell from an empty wagon!”
- Work with and coordinate the economic development efforts with the Texas Forest Country Partnership.
- Create and support an “Entrepreneurial Center” for the region.
- Evaluate, monitor, and support regional transportation projects.
- Create a task force to develop a strategy for attracting filmmakers and movie production companies. Identify potential movie sets. Form the San Augustine Film Commission.

## **Advanced Manufacturing**

- Identify those industries already doing business in San Augustine County such as Tyson’s, lumber processors, and the oil & gas companies. Explore opportunities for them to have a more permanent presence in the County such as offices, equipment yards, and distribution centers. Maintain a database of survey information on these companies.

## **Tourism**

- Pursue the completion of the restoration of the Lewis Hotel.
- Complete and enhance the park and event area around the “Log Cabin” Chamber of Commerce building.
- Complete and enhance the trail from the park to the Mission Delores.
- Look for opportunities to create additional trails for walking, jogging, and biking.
- Promote the businesses and activities along the San Augustine County shoreline of Lake Sam Rayburn.
- Create an event for bicycle tours departing from the “Log Cabin” to points of interest around the county. You might consider a route that departs from and returns to the “Log Cabin” with an overnight at the Lake Sam Rayburn. This could be a combination tourist attraction and fundraiser for SAREP.

- Work with city and county officials to designate “Bike Routes”. Be sure these are marked and that maps are available for tourists.

### **Healthcare**

- Identify leadership with CHI Texas Division and explore ways to make the medical center more comfortable with their operation in San Augustine. Work with the CEO to ensure that there are no obstacles in the way of them achieving their mission.
- With CHI officials explore opportunities for additional services in the San Augustine facility.
- Identify healthcare transportation needs and work toward solutions through DETCOG. There is federal funding available for public transportation.

### **Forest & Wood Products**

- Identify and work with these companies to explore ways to make their presence in San Augustine County more permanent such as processing facilities, equipment yards, and distribution centers.



CITY OF  
**IVANHOE**  
TEXAS



# City of Ivanhoe, Texas

## **ASSESSMENT AND ACTION PLAN**

**By: The Veridus Group**

*with support from the International Economic Development Council*

November 2018



**VERIDUS**  
GROUP

# Introduction

Since the Fall of 2017, the International Economic Development Council, with the support of the U.S. Economic Development Administration, has coordinated volunteer assistance for economic recovery following Hurricane Harvey. Community leaders from the City of Ivanhoe, Texas have requested help developing a strategic Action Plan for economic development. The Action Plan was facilitated by the consulting firm The Veridus Group and a volunteer Steering Committee helped guide elected officials and community stakeholders toward strategic growth and development. This document takes a look at both assets and challenges to build new strategies for the City of Ivanhoe based on national best practices. The implementation of this Action Plan will lay the foundation for Ivanhoe to fuel the economy for businesses and residents to thrive, ultimately improving regional competitiveness and advancing the region's economic prosperity.

Monday, July 30 through Wednesday, August 1, Courtney Zaugg – Director of Economic Development—of the Veridus Group met with individual local and regional leaders to understand issues the community was tackling, what opportunities and challenges were approaching, and the community's vision for a new future. Additionally, the Veridus Group crafted and distributed an electronic survey to residents and visitors to better understand the community's outlook to growth.

## *Acknowledgements*

- Cathy Bennett, Mayor of City of Ivanhoe
- Ivanhoe City Council:
  - Chuck Vonderlin
  - David Herrington
  - Mark Peterson
  - Rowland Priddy
  - Tommy Morris
- C.D. Woodrome, City of Ivanhoe Secretary
- Ivanhoe Property Owners Improvement Association
- Jacques Blanchette, County Judge
- Lonnie Hunt, Deep East Texas Council of Governments and Economic Development District
- Mandy Risinger, Woodville City Administrator
- Russ Nalley, City of Woodville Mayor
- Glen Conner, Woodville School Superintendent





## Overview

The City of Ivanhoe, Texas committed to elevating its economic growth by the development of this Economic Development Action Plan. Competition for growth – both residential and business – is fierce, and Ivanhoe sees the value of formulating a strategic action plan to help existing residents enjoy their community, while also enticing new residents and companies to consider the community. This Action Plan shows that Ivanhoe recognizes the need for continuous improvement to become more efficient, effective, and sustainable. It is also evidence of Ivanhoe’s desire to collaborate and develop consensus to make sound fiscal decisions, enhance community image, and – most importantly – show a road map to meet the current and future needs of residents and businesses.

Led by the Steering Committee and community input, the Veridus Group facilitated a structured process that assessed economic and community challenges and opportunities. This evaluation included discussions with City staff and elected officials; review of economic, demographic, and planning analyses; and interviews with community members to define priorities and actions for implementation. Numerous stakeholders participated in engagement sessions, including



residents, business owners, education leaders, community leaders, and economic development professionals. They all stepped forward to provide a ground-level view for the existing conditions in Ivanhoe, but also provided a vision for the future of the City of Ivanhoe. Their engagement and the Steering Committee's work molded this Action Plan so that it includes robust, yet realistic and actionable, strategies to ensure long-term sustainability and economic prosperity for Ivanhoe.

## Differentiators and Opportunities

Ivanhoe is different from other towns and cities looking to offer the benefits of rural recreational and resort living for both full-time and 'weekend' residents alike. Its location boasts easy access to Houston and Beaumont, and offers beautiful natural scenery for boating, water sports, fishing, and enjoying the many parks. Pairing its ideal rural location with its natural resources and close-knit community makes Ivanhoe a great destination for those looking to relax for a visit or retire into relaxation.

While retiree attraction has already had a significant impact on Ivanhoe and other rural communities, research shows the trend is likely to greatly increase with the impending retirement of the baby boomer generation. Ivanhoe could positively benefit if policies are put in place now. Some baby boomers have already seized the opportunity to flee the densely-populated urban areas and relocate to rural life, such as in Ivanhoe. Some have already purchased (or will soon purchase) a vacation home that will be converted into a retirement home in 10-15 years.

Furthermore, Ivanhoe has significant opportunities to attract retirees to help offset the economic restructuring that many rural communities have endured over the past several decades. For example, farming, ranching, and forestry have all significantly declined in employment and earnings while urban regional service centers have grown and attracted retail activities away from small rural towns.

In conclusion, Ivanhoe is at a juncture where enacting new policies and initiatives will help improve the current residents' quality of life while attracting new community members to a beautiful resort and retirement community.



## Observations of Current Conditions

### Challenges: funding, roads, taxes

While driving into the City of Ivanhoe, the charming and quiet retirement community provided a relaxing view and a breath of fresh air from the Houston commute. The very first order of business from Mayor Cathy Bennett and City Secretary C.D. Woodrome was to take a tour of the community, traversing the many roads and seeing the City's assets and challenges. Distinctly, the City's roads are in dire need of imminent repair. Because we work in communities across the globe, we know that the severity of the crumbling infrastructure is comparable to what is experienced in some developing countries. However, the beauty of the community's lakes and parks showcase the assets for which the vision was cast for the resort community.

Additionally, City officials highlighted the work done by community members, mainly volunteers, in collaboration with a few paid staff. The depth and continuation of the work is noteworthy, but concerns arise with the decline of new residents willing and able to pick up volunteer efforts



when others have retired. One example is the volunteer code enforcement official who is nearing retirement. Currently, the City has budgeted funding to hire a paid code enforcement officer for 2018-2020. This transition will be an important one, as there were several sightings and identification of code infringements. Furthermore, Ivanhoe officials have had difficulty tracking down property owners to address code violations, delinquent taxes, or other issues due to property deed restrictions, lost deeds, or the lack of contact information.



The City of Ivanhoe and the Town of Woodville have closely collaborated on a variety of initiatives. Currently, Ivanhoe residents rely on the retail assets of Woodville to meet the needs of groceries, fuel, restaurant, and some other retail needs. Some heavy industry provides for Woodville's tax base, including a pellet plant and heavy equipment manufacturers. While restrictions on funding prevent both Ivanhoe and Woodville from extensively promoting assets and opportunities for relocation, current efforts are focused on expanding the Woodville airport, potentially positively impacting the region's tourism and talent recruitment. Woodville City Administrator Mandy Risinger and Mayor Russ Nalley discussed increasing collaboration on marketing efforts for the greater region.

During our conversation with the C. Glen Conner, School Superintendent for the Woodville Independent School District covering approximately half of Ivanhoe, it became apparent that the school systems are well-rated, but struggle financially, with over 70% of its student population being economically disadvantaged. Internships with the business community are offered, largely at the region's hospital and healthcare facilities. Certification are generally focused on more broad categories, such as the U.S. Occupational and Safety Health Administration (OHSA). While more teachers are needed to support the student population, recruitment has been difficult due to its rural location and an overall shortage of available teachers throughout Texas.

Regionally, the County has had some success in residents returning to their hometowns to start businesses, such as two businesses focused on information and communication technology and retail companies in downtown Woodville. These entrepreneurs provide a good resource for other start-ups in the region.

Another strong regional tourism asset is the Naskila Casino, bringing nearly 3,000 customers per day, cited by local officials, and could be leveraged for additional retail and hospitality growth. Similarly, interest in the region's forestry assets have increased due to the national film industry site requests and the attractive Big Thicket National Reserve nearby.

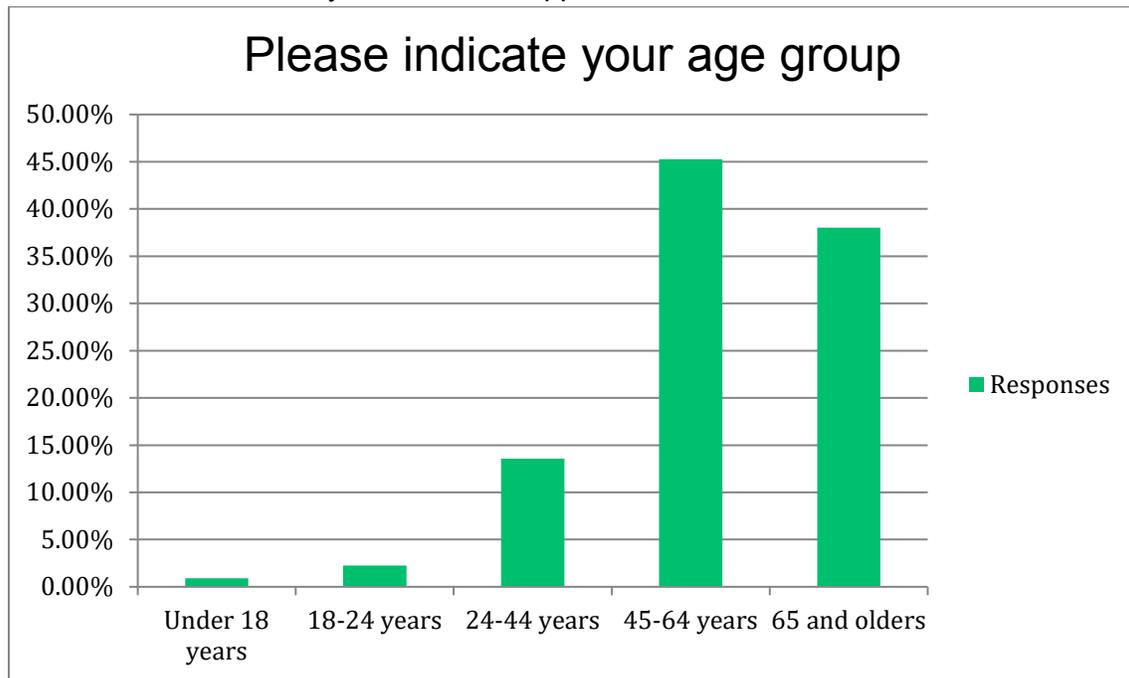
Lastly, cited amongst several interviewees in the region, childcare facilities are needed to meet both current demand and for the attraction of future residents and workers to the greater region.

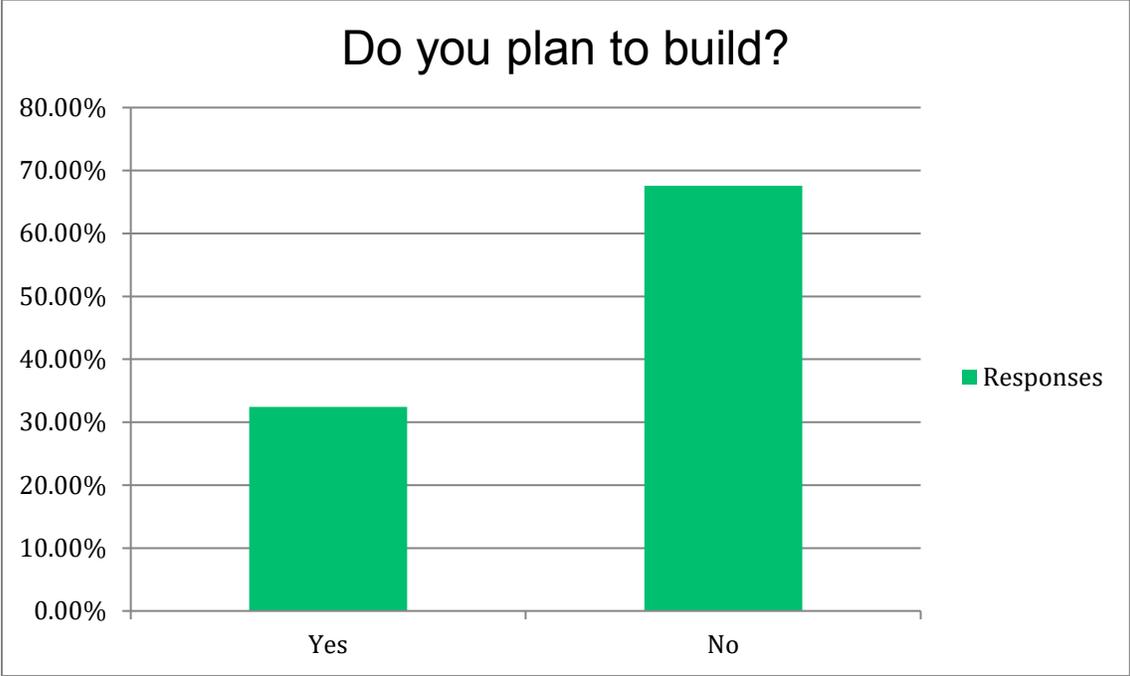
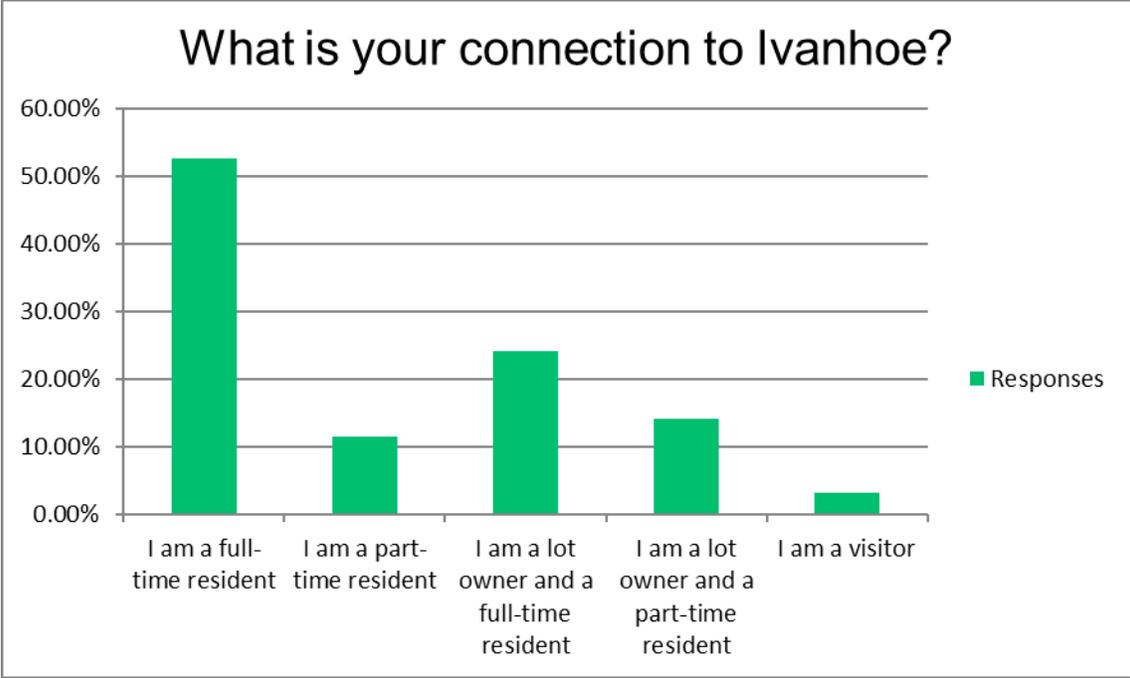


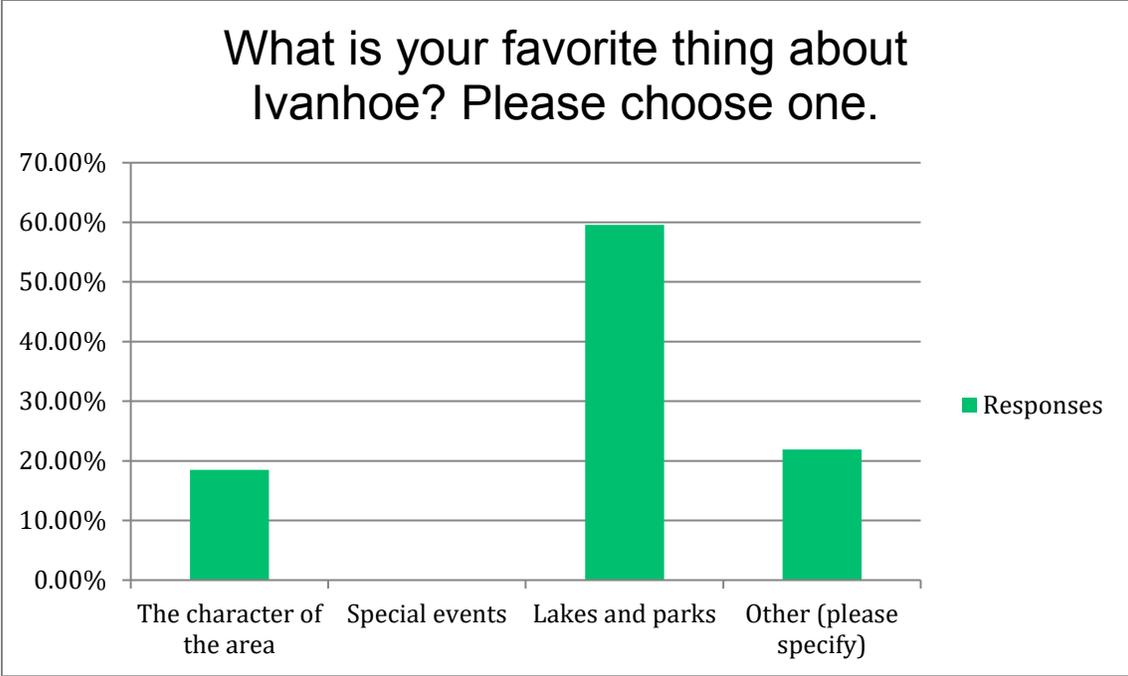
## Key Themes from Community Survey

During July – August 2018, Veridus conducted a confidential electronic survey, targeting the overall Ivanhoe community. The purpose was to identify local strengths and weaknesses that would impact growth, as well as future opportunities for Ivanhoe to target. More than 220 people, including full-time and part-time residents and visitors, participated in the survey and shared their perspectives. The primary concerns identified in the survey focused on the poor roads and infrastructure, stark division of residents on community issues, lenient code enforcement, and a need for high-speed, reliable internet access.

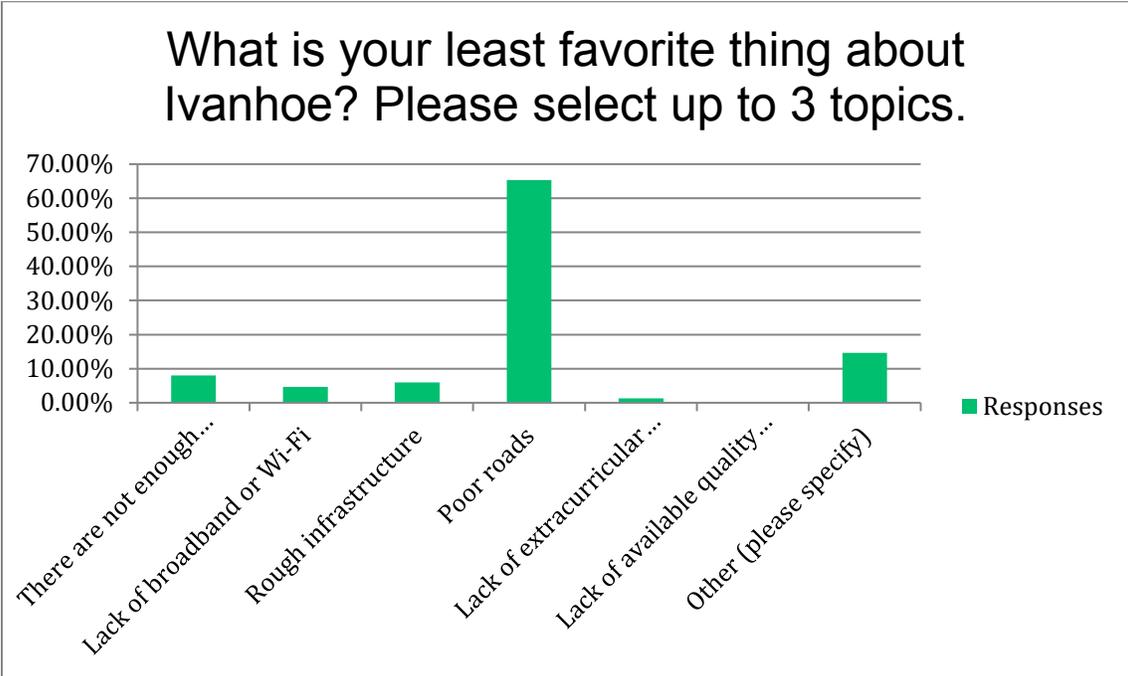
Respondents overwhelmingly enjoy the peaceful and beautiful rural environment, lakes, parks, and community members that were often cited as “feeling like family.” Many shared their love for the community and robust desire for improvement. A few questions are highlighted below, and you can access the full survey results in the Appendix.

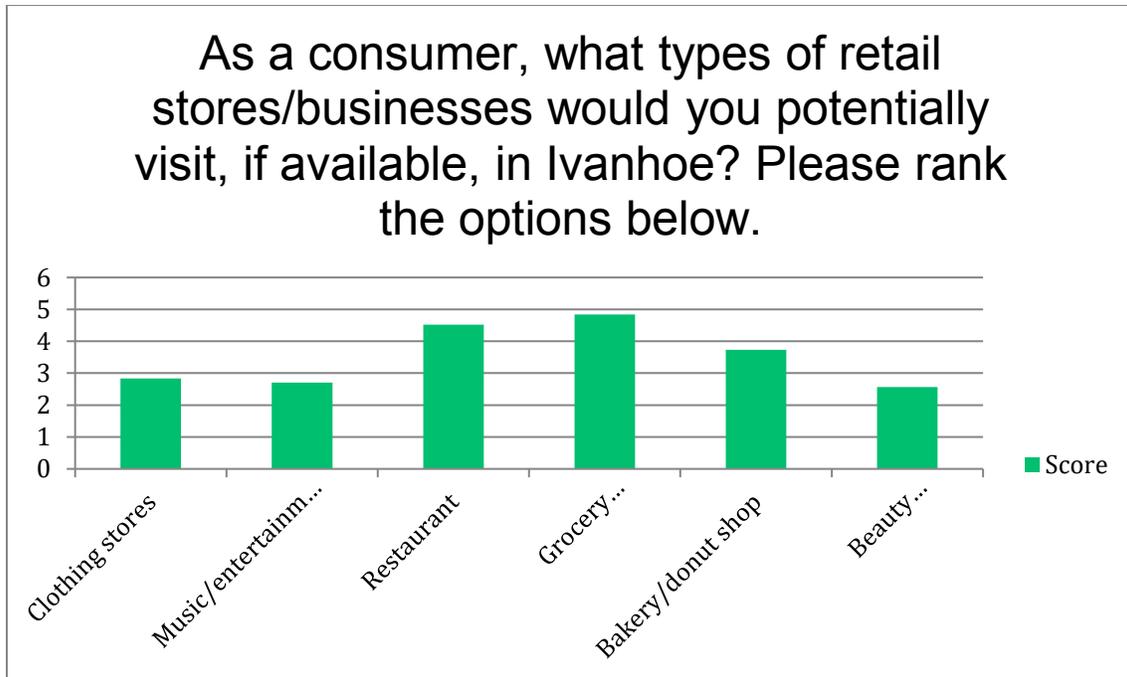






Under the “Other” response, participants cited the community’s quiet environment, people, country living, and great neighbors as assets enjoyed.





## Action Steps

At the beginning of this assessment and action planning process, Veridus worked with the Steering Committee to extract ideas for realistic and actionable progress. This Action Plan captures goals and strategies that will ultimately define how stakeholders and the region at large will experience the future growth of Ivanhoe.

## Goals and Strategies

### Infrastructure and Funding

Due to the terrible and abundant decay of roads in Ivanhoe, the top recommendation is to assemble funding to directly, swiftly, and sustainably repair the roads. Currently, City Council officials have scheduled a bond election for November 2018, and our firm strongly supports this effort. Transparent communication and consensus building with all stakeholders is critical, ensuring the bond effort and results are understood and effectively implemented.

Other areas for consideration are re-structuring the relationship between the City of Ivanhoe and the Ivanhoe Property Owners Improvement Association (IPOIA). Currently, IPOIA is responsible for managing the parks, lakes, and all permits associated with lake usage. All work done is done by volunteers, which is not a sustainable operational model. In order to keep lake access



exclusive for private-use, a new operational model in partnership with the City of Ivanhoe is recommended. Two types of mechanisms should be researched to see if they are applicable:

- *Community Development Corporation formation*
- *Economic Development Corporation formation (Type A and B)*
- *Public Improvement District (See Fort Worth example: <http://fortworthtexas.gov/pid/>)*

Lastly, many lots have been left in a state of neglect and disrepair. While new efforts have emerged to increase code enforcement, City officials should identify and target egregious sites, such as those who have not paid property taxes, and move toward having the lots be available for development. Understanding this process can be arduous and potentially costly, City officials must work closely with Tyler County officials, the school systems, and the tax assessor's office to formulate a cohesive plan for this project.

### **Partnerships**

Partnerships are critical for communities looking to increase its development, and it is supremely important for small and rural communities, like Ivanhoe. Municipalities across the U.S. are constantly facing budget constraints, and, thus, pooling expertise and resources is necessary for forward movement. Ivanhoe has strong relationships within Tyler County, but additional work is needed for amplified growth. First, Ivanhoe and the regional school districts should meet quarterly, at a minimum, with other regional public officials, to update one another on issues related to education/workforce development and attraction, business development, and housing. All of these topics are vital pieces to the larger economic development puzzle. During these discussions, problems can be addressed by a broader network of expertise and resources, often leading to transformational projects.

Additionally, Ivanhoe staff and official should become more engaged with regional economic development partners, such as the Deep East Texas Council of Governments and the Texas Forest Country Partnerships. These two regional organizations are leading the economic development efforts for Ivanhoe and the region and can provide both recommendations on marketing activities and funding sources, and also can provide broader opportunities for increasing economic development knowledge for staff and officials. Working efforts to engage a peer network in Texas of local public officials and staff is important to increasing the City's realm of expertise and resources for future problem solving.

### **Marketing**

The City of Ivanhoe has a beautiful story to tell. Beginning with its establishment in the early 1960s into its incorporation in 2009, Ivanhoe has always come together to solve problems. While infrastructure needs do carry the priority for the City's time and resources, marketing its



unique and coveted assets is also critical for long-term sustainability and economic prosperity. One of the best ways to market a community like Ivanhoe is social media because of its wide user-reach, low-cost (free!), and ease of use. Supplemental to this Action Plan will be a user-guide to Facebook for City staff and officials, in addition to recommended social media policies.

Additionally, partnering with local and regional business and tourism organizations will help increase awareness. Promotions for local Ivanhoe assets could include encouraging residents, businesses, and visitor to utilize Yelp or TripAdvisor to add user reviews. Furthermore, a “frequent user program” could be initiated in conjunction with regional businesses in Woodville, to help elevate the profile of Ivanhoe and the region.

Lastly, engaging regional real estate brokers in the marketing process can also help increase the community’s profile.



## **Volunteer Report to IEDC**

### **Deep East Texas Council of Governments**

**September 23 – 27th, 2018**

**Jim Fram, CEcD, CCE, FM**

#### **Sunday, September 23<sup>rd</sup>**

Sunday was travel day with a drive from home to the Springfield, MO Regional Airport, air travel to DFW connection, then to Houston Intercontinental Airport. Picked up rental auto and drove the 1 ½ hours to Livingston in San Jacinto County.

San Jacinto County is one of 16 Counties in Texas impacted by Hurricane Harvey.

Contacted Christi Sullivan to set up a Monday early morning meeting.

#### **Monday, September 24<sup>th</sup>**

Met early at the Hampton Inn in Livingston with Christi Sullivan, the newly employed Regional Disaster Recovery Coordinator for DETCOG (Deep East Texas Council of Governments) to review her new job description, possible additional duties, and the challenges presented by the geographic area in general as well as the effects that Hurricane Harvey had on her territory.

We also reviewed potential training programs and economic organizations that she could become involved in while pursuing the mission of her new position at DETCOG.

Christi and I then drove to Coldspring, TX, the County seat for San Jacinto County and met Regional Planner Bob Bashaw and DETCOG Executive Director Lonnie Hunt who took us on a driving tour of San Jacinto County.

Following the tour and a brief lunch, we went to the San Jacinto County Courthouse to meet with Patricia Shorter, Sr Economic Development Specialist, from the Austin Regional office of the Economic Development Administration to review elements of the application for the proposed San Jacinto Community Facility which will house several not-for-profit agencies in addition to serving as an Emergency Command Center in future natural or man-made disaster events.

We recommended that the facility be named “The San Jacinto County Innovation Center”, capturing both economic development and other services in the name. The project description is: “A 10k square foot facility to house Agri-Life, Emergency Management, Visitor Development, Economic Development, Workforce Solutions, SBDC, DETCOG, and Farmer’s Market. It would also serve as a Command Post during manmade and natural disasters.” The proposed location would be the corner of Live Oak and Highway 150 in Coldspring, TX.

While in the courthouse we met briefly with San Jacinto County Judge Fritz Faulkner, several County Commissioners including Mark Netuno from Point Blank, Donnie Marrs from Sheppard, Laddy McAnally, and David Brandon, San Jacinto Emergency Management Coordinator to discuss and evaluate their enthusiasm and support for the proposed project.

The entire group toured the existing Community Building which is next door to the proposed site for the new Innovation Resource Center.

### **Tuesday, September 25<sup>th</sup>**

Christi Sullivan and I met again to review the previous day's work, met briefly with Patricia Shorter and Bob Bashaw, then set out to drive back to Coldspring, TX, the County seat.

We met with the County Judge's assistant Michelle to attain copies of the project site survey, environmental report, and to secure a letter of commitment from the County officials. She recommended a meeting with Kimberly Wooley, County Auditor to secure these items.

We walked to the County Annex Building to meet with County Auditor Kimberly Wooley. She agreed to review the demographic info required for the EDA grant application that was available and to send it to Christi.

### **Wednesday, September 26<sup>th</sup>**

Met Christi Sullivan in Lufkin for lunch to review the meetings in Coldspring, TX then drove to the offices of the Texas Forest Country Partnership to meet with Executive Director Nancy Windham to bring her up-to-date on the San Jacinto activity, Christi's activity, and to discuss possible actions for San Augustine and San Augustine County.

We all agreed that the Strategy for Economic Development in San Augustine was sound, and that future action would have to be addressed by local officials which might change dramatically after November elections.

We discussed possible outcomes and possible scenarios that could be pursued to bring San Augustine to be more aggressive about their local economic development.

### **Thursday, September 27<sup>th</sup>**

This was a travel day. Before leaving the Hampton Inn in Livingston, TX, I reviewed notes and contacts to ensure that we had not missed any important items during this visit.

I drove back to Houston Intercontinental Airport for return flight, turned in the rental auto, connected in DFW, landed at Springfield, MO Regional airport then drove back home.

### **Conclusions**

Christi Sullivan has a great deal of experience and a great working knowledge of the area due to being a native and by virtue of her work in managing the day-to-day operation of the Livingston Chamber of Commerce. Her familiarity with the area and local officials will dramatically shorten the learning curve for her becoming an impact for both disaster recovery and for the region's economic development.

I recommended memberships for her in IEDC, TEDC, SEDC, and to be active in the Texas Forest Country Partnership. I also suggested that she immediately pursue professional development through both Economic Development Institute as well as IEDC courses.

As stated in my follow-up report from the visit to San Augustine County, this area is really missing opportunity in not promoting tourism to the area lakes. There is also a missed opportunity to recruit retirees to the area. Markets should include the Houston, DFW, Austin, and San Antonio metropolitan areas. Combined populations are in the millions and there are no lake venues as attractive or as large as those in the San Jacinto and San Augustine Counties and surrounding areas. Infrastructure for this type of economic development is minimal and through lodging and restaurant sales tax programs, the visitors would foot a large part of the bill for development.

While Christi already has a very long title, I would suggest that it include the term “economic development” somewhere. This is a big part of her job duties and is ongoing regardless of disaster recovery activities going forward.

In my opinion, Christi Sullivan is an outstanding addition to the DETCOG team. Lonnie Hunt has made an excellent hire here!

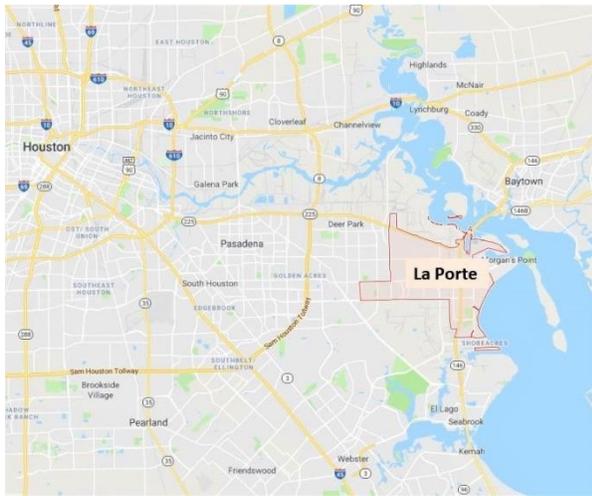
## Observation Report for La Porte, Texas – November 2018

### On Redevelopment and Revitalization of Spencer Highway and Main Street Corridors

International Economic Development Council Disaster Recovery Volunteer Program

Recommendations from Ivan Baker, CEcD, AICP, FM

*Ivan Baker has been a professional economic developer for the past 37 years, working in 7 states including Texas. He is one of only 45 dual-Certified CEcD Economic Developers and AICP Certified Planners in the nation. He is also one of 125 honored Fellow Members of Economic Development selected by the International Economic Development Council (IEDC) for his service and leadership to the profession. He is a nationally-recognized industrial, office and retail developer, serving in leadership positions with IEDC, CoreNet Global, and the International Council of Shopping Centers. His success has resulted in over \$ 2.5 Billion in new business capital investment, 9 million square feet of new development, and the creation of over 34,000 new jobs.*



### The City

La Porte is a recognized Family-friendly city in Harris County, Texas, located within the Bay Area of the Houston–Sugar Land–Baytown metropolitan area. The current city population is estimated at 34,922.

The area around modern La Porte gained fame early in Texas history as the location of the Battle of San Jacinto on April 21, 1836, which ended the Texas Revolution, establishing the independence of the Republic of Texas from Mexico. The San Jacinto Monument, in the unincorporated area of La Porte, commemorates the battle.



During the early 20th century, particularly the 1920s and 1930s, La Porte's Sylvan Beach became a nationally known tourist destination attracting some of the nation's most well-known entertainers. As a result of changing economics in the Houston area and beach erosion, the tourist business declined while industrial development in the area grew. During World War II and afterward, La Porte's economy rapidly shifted toward petroleum/petrochemicals and shipping, which developed as the dominant industries in the Pasadena-Baytown area. When La Porte celebrated its centennial in 1992, it was the home of Barbours Cut Terminal, operated by the Port of Houston Authority since 1977. Fifteen years later, the Port of Houston's newest addition, Bayport Terminal, was established just south of La Porte. The area around La Porte has served an increasingly important role in international trade since the 1970s. (from Wikipedia description)

La Porte, TX has a population of 34,922 people with a median age of 37.3 and a median household income of \$70,681. 42 percent of the local population have earned an Associate Degree or higher college education. The 10 mile radius market has a population of 400,000 with a median household income of \$67,151.



### **The Current Economy**

Low unemployment and strong existing industries epitomize the La Porte economy. Major employers are in Petrochemical, Engineering, Manufacturing, Construction and Transportation sectors. The primary economic-needs voiced by leaders is not the creation of more jobs, but the enhancement of existing business corridors to attract More Business, and thereby, retain more of the disposable income earned in La Porte.

## Previous Studies

A five year old Retail Market study by Catalyst points out key advantages and challenges of the La Porte economy for retail development as follows:

Advantages: Bay/beach access, Above average incomes, Lack of competition, low cost real estate, low crime, large number of weekday hotel stays.

Challenges: Appearance of Bay, Upper end blue collar incomes, Poor reputation as a dirty town, small town population, geographic isolation because of large industrial districts and the bay, nearby tourist communities, traffic counts, Existing Retail in adjacent communities

## The Issues

- Competition from surrounding communities for retail, services, tourism
- Age and Availability of existing building stock for business
- Competitive attractiveness of existing sites to secure additional development
- Possibility of building on past tourism history of Sylvan Beach



## The Retail Market

The Latest ESRI Retail Leakage Report for La Porte market (included in this report) demonstrates that there is Definite Demand to support More Business Development. The key is for leaders to make sure this development occurs in La Porte, and not Pasadena, Deer Park, Kemah, or Baytown. But attractive and marketable real estate, at competitive prices, will be required to attract well-capitalized businesses to meet the demand.

With a \$315 million retail sales gap, the most recent ESRI report demonstrates there is MORE Market Demand than supply in the following retail categories....categories for businesses to attract to the corridors of La Porte:

Furniture

Health and Personal Care

General Merchandise

Clothing

Sporting Goods

Jewelry

Drinking Places

## The Flood Disaster

The catastrophic flooding from Hurricane Harvey in 2017 affected a large region of southeast Texas. In La Porte, the worst flooding impact was primarily in residential areas on the western and southern sides of the city, and resulted in planning for additional flood control and stormwater drainage infrastructure. One year later, the City has obviously responded to the disaster, and continues to serve its citizens with rebuilt and vibrant neighborhoods, business districts of opportunity, and a safe and healthy environment.



## **Focus of this Report**

From observations, and based on knowledge and experience of business corridor and downtown development throughout the United States, suggestions and recommendations are made relating to these key areas:

- **Redevelopment of the Spencer Highway Corridor and the eastern end of this Corridor, which becomes Main Street of La Porte.**
- **Possible redevelopment and promotion of Sylvan Beach.**



## First Impression

Entering La Porte from any direction, the first-time visitor notices that 1) the region is very industrial and boasts a skyline of Refineries, 2) emissions from those refineries can make one question air quality, 3) the city appears to be a clean, middle-class community, 4) the number of retail and service businesses is dramatically and noticeably reduced as you enter the city from Baytown, Pasadena or Kemah/Seabrook, 5) residential neighborhoods are attractive, 6) pedestrian traffic is almost non-existent, 7) sidewalks are not consistently available, and crosswalks often lead to a field, 8) most



## Five Points Plaza – Downtown

This is a great potential meeting place, but is not maintained, looks tired, and does not show any appeal for any sector of the citizens or visitors. The water features were not working, were not maintained, and were full of unappealing brown water. Fencing was damaged. This plaza is a potential nice feature, but needs Maintenance, Lots more Color, and needs to have event programming that will attract people to the plaza and downtown.

Current

Plaza with Colorful Mural instead of plain fence



## Property Maintenance

Building owners need to be required to maintain buildings, as per city ordinance. The City should insure construction and maintenance of Plazas, sidewalks, and green areas. Plant and maintain flowers. This is warm-climate south Texas...and colorful abundant Flora should be evident everywhere. Visitors expect this, and citizens benefit from this. Encourage church groups and Garden groups to assist.



### Code Enforcement

Some buildings in the business corridors have terrible first impressions, and are not marketable. Note pictures in this report. Baytown Downtown has a dreadful first impression of crime and a bad business climate because of metal gates and plywood over windows. One colorful event site does not improve the Bad downtown impression of Baytown. La Porte cannot allow this virus of bad appearance to creep into their city. La Porte City Codes should be in place (and enforced) to 1) not allow Any Plywood boards to cover windows except during severe weather, 2) not allow Any Metal Bars or Gates to block windows, 3) not allow poor maintenance or appearance of commercial buildings, 4) insure that available buildings are meeting health and safety codes and are ready for occupancy, 5) encourage attractive and maintained readable business signs that are perpendicular to the buildings for easy view. Vacant buildings must be well-kept and obviously ready for occupancy. Unfortunately, some vacant buildings in La Porte are not inviting to a potential tenant or buyer. One bad building owner in a downtown area can ruin the impression of the entire town.

*Baytown Downtown – examples of Poor Code Enforcement and Negative First Impressions*



## Pedestrian Friendly

Sidewalks need to be constructed along the entire Corridor – connecting shopping areas. The Corridor must be attractive and safe for pedestrians. Plans should be in place with this thought – “If I were in a Wheelchair and wanted to shop and dine at several La Porte businesses, is the city making it easy for me?”



## Color

The Spencer Corridor and Downtown need a Bright Injection of Color and Vibrancy. Colorful Banners are an easy and inexpensive way to Show Pride and Differentiate from Deer Park and Pasadena. La Porte can and should be the Part of Spencer Highway that is Cool, Dynamic, Colorful, and full of Pride. Consider year-round Bright Color Banners that Draw Attention to the Proud La Porte sides of Spencer Highway. Encourage Colorful Murals to be painted and Colorful Flower Gardens to be planted throughout the Corridor and Downtown.



## Events to Attract Customers and Tax Revenue

- Keep building momentum with Main Street Trade Days and Car Shows and other events like Sylvan Beach Day and FFA Rodeo.
- Utilize Niche Marketing with unique events and related promotions unlike neighbors
- Always Focus events in downtown area and plaza.....make people believe that Downtown is the fun and vibrant center of the community. Be the safe and cool place to have fun with friends and family.

- Embrace being “French” La Porte – Become the City known for Music and Wine, Wine Festival, Wine Tastings Once a month, “Le Jazz Hot Jazz Festival”, or similar “French themed events.”
- Feature Local Bands and High School Groups on a regular basis – local flavor, attracts friends and family.
- Diversity of the population could encourage the development of an International Festival or Event featuring a variety of music, foods, and cultural activities
- Five Points (downtown) was location of first city movie theatre. Build on that fact. As in many cities, Schedule free family-friendly outdoor movie showings where people can bring their lawn chairs, grab food and drink at a food truck, and enjoy the show. Encourage redevelopment of the former movie theatre as an Entertainment Venue.
- Establish a regular weekly Farmers Market downtown during season
- Establish and promote a primarily Private Funded Arts Council (with active support from churches, neighborhoods and schools) that will encourage Arts Events downtown, Public Art projects, events, and Artistic Beautification throughout the city, but especially in the Main Street and Spencer Corridor.
- Coordinate in every way possible with San Jacinto College, to encourage students and faculty to live, work, spend money, and have fun in La Porte...rather than other nearby cities. College Days. Have Special events and promotions aimed at Students who have college IDs. Provide opportunity for San Jacinto college students to publicly perform, and display their art.



## **Branding**

Counter the Potential View of the Unhealthy Refinery area with “Live Healthy La Porte” – “Living Well La Porte”

Play off the “French name of La Porte” - La Porte is La Cool. Ooh La La Porte.



### Development Suggestions

- Agree on a Plan and be ready to promote that plan. Have meetings with key retail developers in the region and promote the opportunities. Attend any and all Houston and Texas ICSC events, especially the Texas Deal Making event, and promote the Unique Opportunities in La Porte. Do not focus on big box.
- Big Box Centers already exist in surrounding cities, and the changing retail market is forcing big boxes to reduce real estate footprint and rely more on Internet sales. La Porte business corridors should Focus on well-capitalized Small Business and Entrepreneur development that is unique, different, and fills a niche in the market.
- Encourage Existing Developers to expand and grow on same corridor. Retain and promote.
- Most downtowns want and need a movie theatre/arts center. La Porte has the building and a plan needs to be developed to utilize this Former Movie Theatre for an Entertainment Attraction Venue.
- Promote a Franchise Expo in coordination with the Small Business Development Center, local banks, and San Jacinto College, to encourage potential entrepreneurs to develop a business plan and open a small business in La Porte.
- Secure a mailing list of La Porte households with over \$100,000 annual income (Hugo Dunhill is one source) and promote "Start your own Business Opportunities in La Porte" to this target list.
- Become a Unique and attractive destination (not just with one gimmick umbrella covered site like in Baytown) ...but integrate the entire downtown and Spencer corridor to result in best and highest multiplier economic development
- Counter any wrong perception of being an Unhealthy industrial town. Make Downtown La Porte the "Good Health Downtown" with a Cluster of Health Food Retailers, Health food restaurants, and Health Related Services including massage, fitness centers, yoga, chiropractors. Have "Health related events" downtown. Work with Hospitals and College and area Health companies. Living Well La Porte. Stop promoting downtown restaurants as "sinful" menus.
- Possibly encourage any business on Main Street to have a Wine and Beer License at very low cost. (savings of at least compared to other city locations) This could be an incentive to attract more business to Main Street, appeal to customers, and provide opportunity for more profits. Buy a dress, and have a glass of wine. Buy jewelry, and have a glass of wine. Buy western clothing and boots, and have a beer.



## Sylvan Beach

Sylvan Beach is unfortunately no longer a prime tourism opportunity, as it is definitely a small Local beach park in the middle of what the public considers a Major Industrial Area. It has poor road access, and there is too much competition from nearby Modern Appealing Gulf Tourism Destinations like Galveston, and waterfront attractions at Kemah.

The City and others could Promote and Make Sylvan Beach – “Our Beach” - The Best opportunity for Sylvan Beach is to not dwell on the past heyday of the 1920s and 1930s, and instead make the year-round park very special for locals, and maximize land-use and tax revenue with more multi-level residential featuring green space and water-access appeal. Close Proximity to the La Porte High School create opportunities for Sylvan Beach to be a year-round programmed destination/attraction for teenagers, with music events, special events before and after high School Sports activities, and coordinated activities with high school departments and clubs. “Our Beach”



## Action Steps

To assure sustainability and buy-in from the influential leaders and power brokers in the community, a Strategic Planning Process should be initiated by the City. Current business owners, current corridor property owners, and potential developers should be included in the process. A true Vision of the Corridor has not yet been established or formulated. Goals and objectives need to be clarified, and the ultimate plan must be benchmarked for success. Do not begin any Marketing until a Plan is in place, and the real estate is ready to promote.

The purpose of this Disaster Recovery report specifically did Not include a Strategic Planning process. But after listening to the concerns, and viewing the community, it is the recommendation of this author that a Strategic Planning Process with the influential leaders of La Porte is needed and necessary. The power brokers and elected leaders in La Porte need to unify behind some key ideas that can improve the business climate perception of the City, and excite residents and customers.



# Retail Marketplace Profile Report

Port Crossing La Porte, TX  
 Drive Time: 10 minute radius

Latitude: 29.6303  
 Longitude: -95.0352

## Summary Demographics

2018 Population	38,045
2018 Households	14,224
2018 Median Disposable Income	\$63,867
2018 Per Capita Income	\$39,212

## 2017 Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$665,435,566	\$455,028,662	\$210,406,904	18.8	271
Total Retail Trade	44-45	\$598,862,593	\$405,792,333	\$193,070,260	19.2	187
Total Food & Drink	722	\$66,572,973	\$49,236,329	\$17,336,644	15.0	84

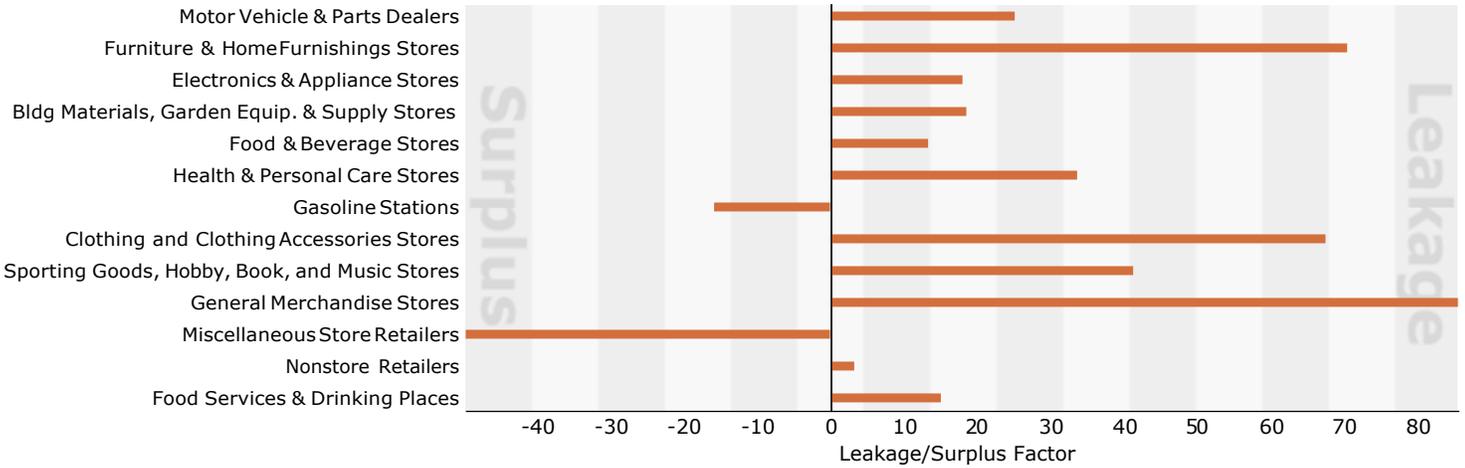
## 2017 Industry Group

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$129,400,722	\$77,330,635	\$52,070,087	25.2	34
Automobile Dealers	4411	\$103,830,789	\$14,675,515	\$89,155,274	75.2	8
Other Motor Vehicle Dealers	4412	\$14,081,965	\$49,187,522	-\$35,105,557	-55.5	15
Auto Parts, Accessories & Tire Stores	4413	\$11,487,968	\$13,467,599	-\$1,979,631	-7.9	11
Furniture & Home Furnishings Stores	442	\$21,112,264	\$3,664,256	\$17,448,008	70.4	5
Furniture Stores	4421	\$12,107,584	\$2,857,753	\$9,249,831	61.8	3
Home Furnishings Stores	4422	\$9,004,680	\$806,503	\$8,198,177	83.6	2
Electronics & Appliance Stores	443	\$21,723,928	\$15,071,878	\$6,652,050	18.1	6
Bldg Materials, Garden Equip. & Supply Stores	444	\$41,072,982	\$28,251,135	\$12,821,847	18.5	24
Bldg Material & Supplies Dealers	4441	\$38,630,025	\$25,651,559	\$12,978,466	20.2	21
Lawn & Garden Equip & Supply Stores	4442	\$2,442,957	\$2,599,576	-\$156,619	-3.1	3
Food & Beverage Stores	445	\$107,132,963	\$81,732,567	\$25,400,396	13.4	21
Grocery Stores	4451	\$97,047,733	\$71,688,753	\$25,358,980	15.0	12
Specialty Food Stores	4452	\$4,528,913	\$2,811,022	\$1,717,891	23.4	4
Beer, Wine & Liquor Stores	4453	\$5,556,317	\$7,232,792	-\$1,676,475	-13.1	4
Health & Personal Care Stores	446,4461	\$34,587,147	\$17,189,063	\$17,398,084	33.6	10
Gasoline Stations	447,4471	\$58,555,463	\$80,860,613	-\$22,305,150	-16.0	18
Clothing & Clothing Accessories Stores	448	\$27,385,783	\$5,303,704	\$22,082,079	67.6	11
Clothing Stores	4481	\$18,083,816	\$4,445,046	\$13,638,770	60.5	9
Shoe Stores	4482	\$3,796,776	\$381,837	\$3,414,939	81.7	1
Jewelry, Luggage & Leather Goods Stores	4483	\$5,505,191	\$476,821	\$5,028,370	84.1	1
Sporting Goods, Hobby, Book & Music Stores	451	\$20,674,478	\$8,589,180	\$12,085,298	41.3	9
Sporting Goods/Hobby/Musical Instr Stores	4511	\$18,471,653	\$8,134,493	\$10,337,160	38.9	8
Book, Periodical & Music Stores	4512	\$2,202,825	\$454,687	\$1,748,138	65.8	1
General Merchandise Stores	452	\$104,087,761	\$8,048,852	\$96,038,909	85.6	6
Department Stores Excluding Leased Depts.	4521	\$72,532,021	\$1,780,881	\$70,751,140	95.2	1
Other General Merchandise Stores	4529	\$31,555,739	\$6,267,971	\$25,287,768	66.9	6
Miscellaneous Store Retailers	453	\$23,659,562	\$70,883,781	-\$47,224,219	-49.9	39
Florists	4531	\$1,128,617	\$1,128,530	\$87	0.0	3
Office Supplies, Stationery & Gift Stores	4532	\$5,073,922	\$3,048,900	\$2,025,022	24.9	4
Used Merchandise Stores	4533	\$3,998,976	\$1,474,605	\$2,524,371	46.1	7
Other Miscellaneous Store Retailers	4539	\$13,458,046	\$65,231,746	-\$51,773,700	-65.8	25
Nonstore Retailers	454	\$9,469,540	\$8,866,671	\$602,869	3.3	5
Electronic Shopping & Mail-Order Houses	4541	\$6,609,220	\$7,213,010	-\$603,790	-4.4	2
Vending Machine Operators	4542	\$529,138	\$0	\$529,138	100.0	0
Direct Selling Establishments	4543	\$2,331,182	\$1,653,661	\$677,521	17.0	2
Food Services & Drinking Places	722	\$66,572,973	\$49,236,329	\$17,336,644	15.0	84
Special Food Services	7223	\$824,059	\$423,358	\$400,701	32.1	1
Drinking Places - Alcoholic Beverages	7224	\$2,491,383	\$1,482,455	\$1,008,928	25.4	6
Restaurants/Other Eating Places	7225	\$63,257,531	\$47,330,516	\$15,927,015	14.4	77

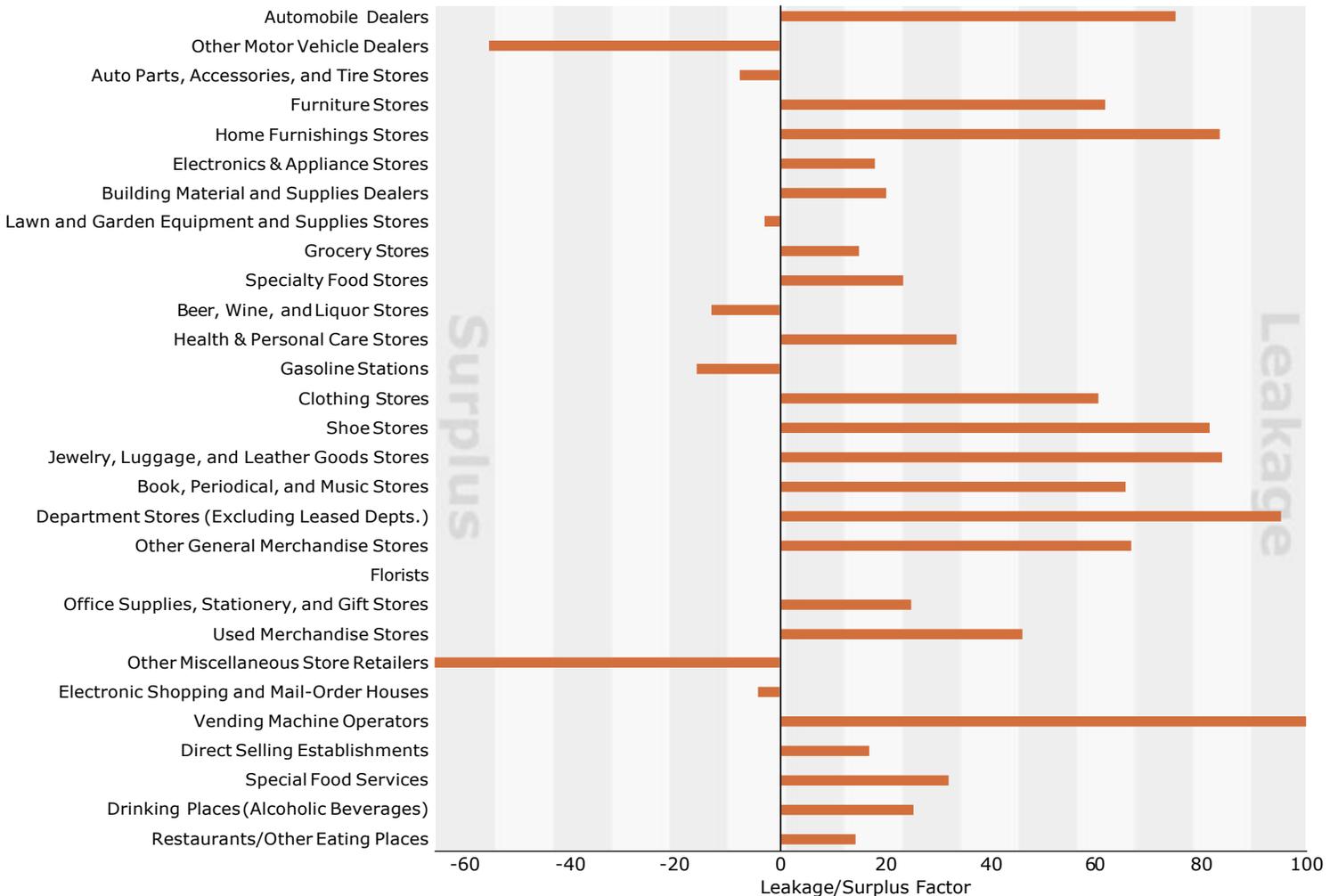
Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

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## 2017 Leakage/Surplus Factor by Industry Subsector



## 2017 Leakage/Surplus Factor by Industry Group



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# Retail Marketplace Profile Report

Port Crossing La Porte, TX  
 Drive Time: 20 minute radius

Latitude: 29.6303  
 Longitude: -95.0352

Summary Demographics						
2018 Population						364,828
2018 Households						132,177
2018 Median Disposable Income						\$56,731
2018 Per Capita Income						\$34,147
2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$5,662,495,010	\$5,463,748,943	\$198,746,067	1.8	2,458
Total Retail Trade	44-45	\$5,091,834,539	\$4,776,424,285	\$315,410,254	3.2	1,620
Total Food & Drink	722	\$570,660,471	\$687,324,658	-\$116,664,187	-9.3	839
2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$1,098,641,381	\$860,291,278	\$238,350,103	12.2	234
Automobile Dealers	4411	\$883,390,574	\$490,111,698	\$393,278,876	28.6	59
Other Motor Vehicle Dealers	4412	\$117,826,626	\$266,991,755	-\$149,165,129	-38.8	86
Auto Parts, Accessories & Tire Stores	4413	\$97,424,181	\$103,187,825	-\$5,763,644	-2.9	90
Furniture & Home Furnishings Stores	442	\$179,363,953	\$90,545,506	\$88,818,447	32.9	79
Furniture Stores	4421	\$104,108,095	\$53,840,470	\$50,267,625	31.8	43
Home Furnishings Stores	4422	\$75,255,858	\$36,705,036	\$38,550,822	34.4	36
Electronics & Appliance Stores	443	\$185,754,177	\$217,252,411	-\$31,498,234	-7.8	77
Bldg Materials, Garden Equip. & Supply Stores	444	\$335,721,412	\$274,212,096	\$61,509,316	10.1	136
Bldg Material & Supplies Dealers	4441	\$316,368,240	\$266,489,040	\$49,879,200	8.6	118
Lawn & Garden Equip & Supply Stores	4442	\$19,353,172	\$7,723,056	\$11,630,116	43.0	18
Food & Beverage Stores	445	\$918,064,245	\$1,152,781,095	-\$234,716,850	-11.3	234
Grocery Stores	4451	\$832,017,258	\$1,061,647,861	-\$229,630,603	-12.1	151
Specialty Food Stores	4452	\$38,924,413	\$35,923,670	\$3,000,743	4.0	43
Beer, Wine & Liquor Stores	4453	\$47,122,574	\$55,209,564	-\$8,086,990	-7.9	40
Health & Personal Care Stores	446,4461	\$291,227,528	\$258,593,454	\$32,634,074	5.9	126
Gasoline Stations	447,4471	\$504,609,931	\$711,880,570	-\$207,270,639	-17.0	148
Clothing & Clothing Accessories Stores	448	\$234,461,755	\$150,094,120	\$84,367,635	21.9	150
Clothing Stores	4481	\$155,022,732	\$94,500,181	\$60,522,551	24.3	106
Shoe Stores	4482	\$32,817,671	\$22,015,411	\$10,802,260	19.7	17
Jewelry, Luggage & Leather Goods Stores	4483	\$46,621,352	\$33,578,529	\$13,042,823	16.3	27
Sporting Goods, Hobby, Book & Music Stores	451	\$176,109,211	\$159,763,996	\$16,345,215	4.9	74
Sporting Goods/Hobby/Musical Instr Stores	4511	\$157,071,272	\$141,092,108	\$15,979,164	5.4	64
Book, Periodical & Music Stores	4512	\$19,037,939	\$18,671,888	\$366,051	1.0	10
General Merchandise Stores	452	\$890,256,358	\$635,887,944	\$254,368,414	16.7	90
Department Stores Excluding Leased Depts.	4521	\$620,374,015	\$530,274,676	\$90,099,339	7.8	24
Other General Merchandise Stores	4529	\$269,882,343	\$105,613,268	\$164,269,075	43.7	66
Miscellaneous Store Retailers	453	\$199,491,754	\$223,532,166	-\$24,040,412	-5.7	246
Florists	4531	\$8,986,851	\$11,203,273	-\$2,216,422	-11.0	29
Office Supplies, Stationery & Gift Stores	4532	\$43,294,140	\$34,740,816	\$8,553,324	11.0	50
Used Merchandise Stores	4533	\$34,221,794	\$14,009,861	\$20,211,933	41.9	45
Other Miscellaneous Store Retailers	4539	\$112,988,969	\$163,578,216	-\$50,589,247	-18.3	122
Nonstore Retailers	454	\$78,132,835	\$41,589,649	\$36,543,186	30.5	24
Electronic Shopping & Mail-Order Houses	4541	\$56,062,326	\$29,963,404	\$26,098,922	30.3	11
Vending Machine Operators	4542	\$4,551,517	\$258,345	\$4,293,172	89.3	2
Direct Selling Establishments	4543	\$17,518,993	\$11,367,900	\$6,151,093	21.3	11
Food Services & Drinking Places	722	\$570,660,471	\$687,324,658	-\$116,664,187	-9.3	839
Special Food Services	7223	\$6,875,181	\$3,019,336	\$3,855,845	39.0	14
Drinking Places - Alcoholic Beverages	7224	\$21,071,509	\$18,718,643	\$2,352,866	5.9	48
Restaurants/Other Eating Places	7225	\$542,713,782	\$665,586,679	-\$122,872,897	-10.2	776

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

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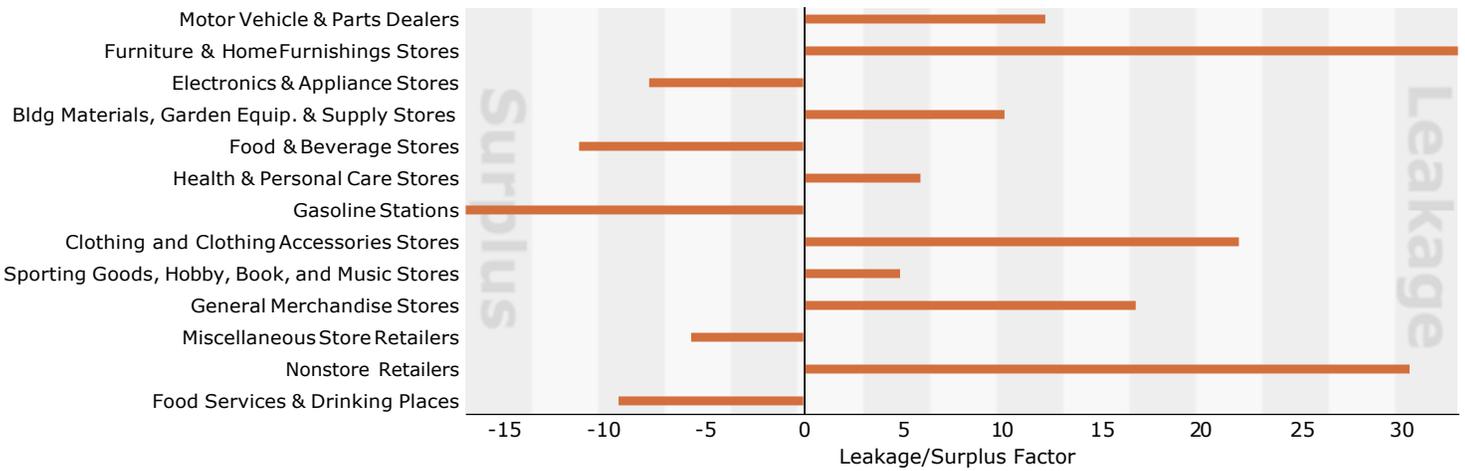


# Retail Marketplace Profile Report

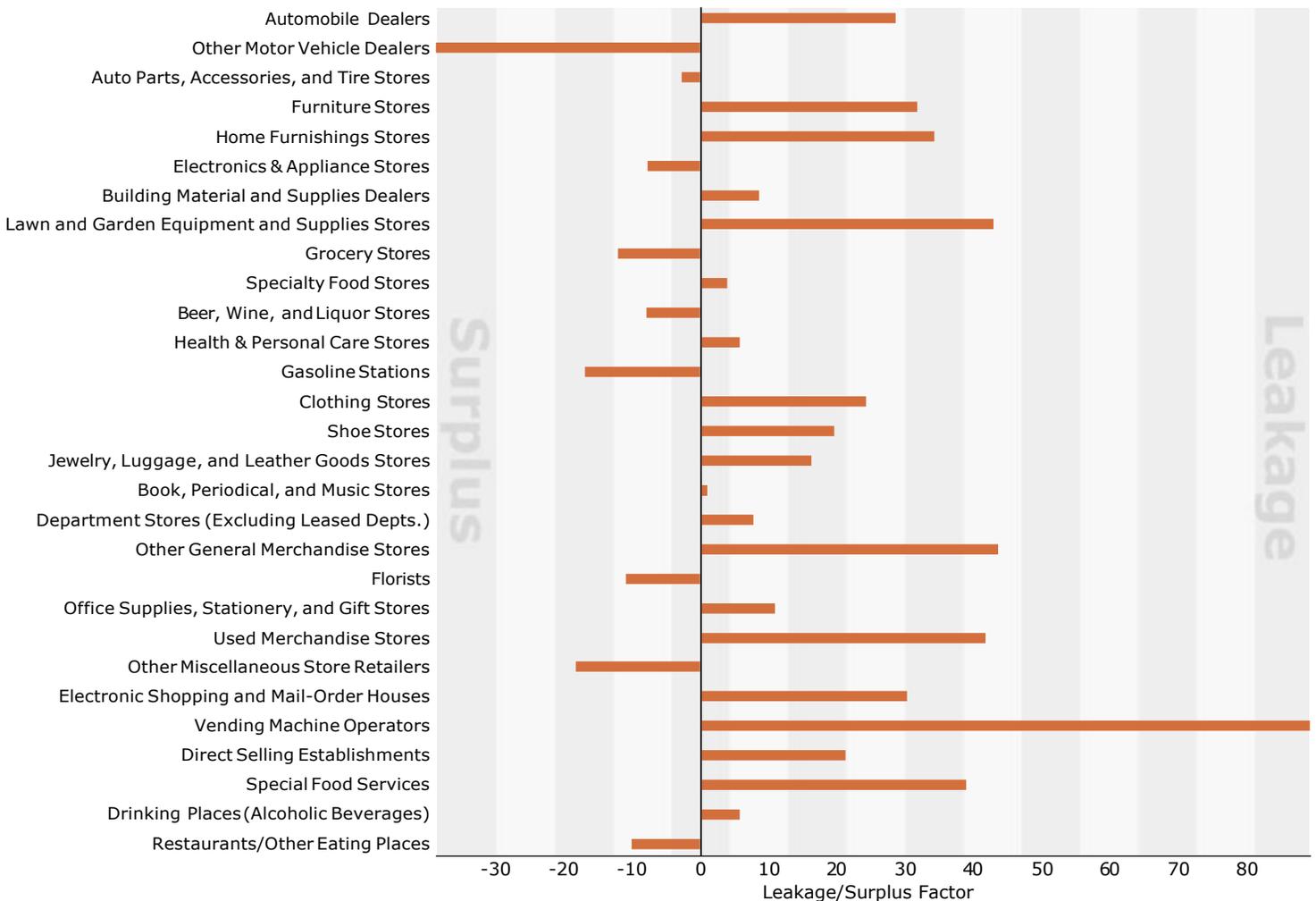
Port Crossing La Porte, TX  
 Drive Time: 20 minute radius

Latitude: 29.6303  
 Longitude: -95.0352

## 2017 Leakage/Surplus Factor by Industry Subsector



## 2017 Leakage/Surplus Factor by Industry Group



Source: Esri and Infogroup. Esri 2018 Updated Demographics. Esri 2017 Retail MarketPlace. Copyright 2018 Esri. Copyright 2017 Infogroup, Inc. All rights reserved.



# Retail Marketplace Profile Report

Port Crossing La Porte, TX  
 Drive Time: 30 minute radius

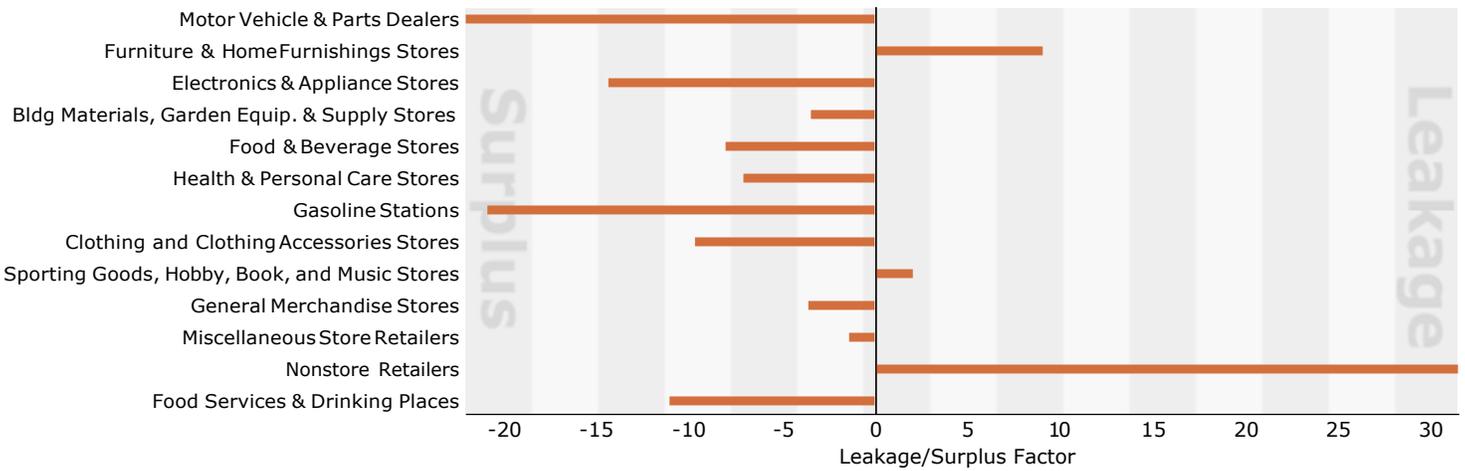
Latitude: 29.6303  
 Longitude: -95.0352

Summary Demographics						
2018 Population						1,177,513
2018 Households						391,254
2018 Median Disposable Income						\$48,430
2018 Per Capita Income						\$26,285
2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$14,261,330,193	\$17,740,305,484	-\$3,478,975,291	-10.9	7,584
Total Retail Trade	44-45	\$12,829,053,681	\$15,951,330,985	-\$3,122,277,304	-10.8	5,287
Total Food & Drink	722	\$1,432,276,512	\$1,788,974,499	-\$356,697,987	-11.1	2,296
2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$2,771,727,237	\$4,345,332,124	-\$1,573,604,887	-22.1	978
Automobile Dealers	4411	\$2,231,897,905	\$3,073,275,971	-\$841,378,066	-15.9	441
Other Motor Vehicle Dealers	4412	\$295,234,806	\$885,730,349	-\$590,495,543	-50.0	190
Auto Parts, Accessories & Tire Stores	4413	\$244,594,526	\$386,325,804	-\$141,731,278	-22.5	347
Furniture & Home Furnishings Stores	442	\$447,179,641	\$372,418,189	\$74,761,452	9.1	260
Furniture Stores	4421	\$261,672,982	\$243,126,665	\$18,546,317	3.7	145
Home Furnishings Stores	4422	\$185,506,659	\$129,291,523	\$56,215,136	17.9	115
Electronics & Appliance Stores	443	\$467,136,786	\$624,470,949	-\$157,334,163	-14.4	236
Bldg Materials, Garden Equip. & Supply Stores	444	\$822,575,033	\$881,388,696	-\$58,813,663	-3.5	358
Bldg Material & Supplies Dealers	4441	\$777,028,780	\$862,288,031	-\$85,259,251	-5.2	308
Lawn & Garden Equip & Supply Stores	4442	\$45,546,253	\$19,100,665	\$26,445,588	40.9	51
Food & Beverage Stores	445	\$2,329,537,525	\$2,739,309,267	-\$409,771,742	-8.1	723
Grocery Stores	4451	\$2,114,005,970	\$2,435,103,942	-\$321,097,972	-7.1	488
Specialty Food Stores	4452	\$99,161,085	\$177,847,837	-\$78,686,752	-28.4	134
Beer, Wine & Liquor Stores	4453	\$116,370,470	\$126,357,488	-\$9,987,018	-4.1	101
Health & Personal Care Stores	446,4461	\$726,386,963	\$837,851,420	-\$111,464,457	-7.1	423
Gasoline Stations	447,4471	\$1,294,232,372	\$1,978,619,256	-\$684,386,884	-20.9	477
Clothing & Clothing Accessories Stores	448	\$588,061,189	\$714,930,652	-\$126,869,463	-9.7	590
Clothing Stores	4481	\$390,396,594	\$480,327,165	-\$89,930,571	-10.3	389
Shoe Stores	4482	\$83,615,715	\$126,762,762	-\$43,147,047	-20.5	97
Jewelry, Luggage & Leather Goods Stores	4483	\$114,048,880	\$107,840,724	\$6,208,156	2.8	104
Sporting Goods, Hobby, Book & Music Stores	451	\$443,005,008	\$425,064,932	\$17,940,076	2.1	227
Sporting Goods/Hobby/Musical Instr Stores	4511	\$394,893,974	\$384,763,460	\$10,130,514	1.3	191
Book, Periodical & Music Stores	4512	\$48,111,035	\$40,301,472	\$7,809,563	8.8	36
General Merchandise Stores	452	\$2,248,811,748	\$2,418,859,559	-\$170,047,811	-3.6	319
Department Stores Excluding Leased Depts.	4521	\$1,564,350,876	\$1,768,707,805	-\$204,356,929	-6.1	107
Other General Merchandise Stores	4529	\$684,460,872	\$650,151,753	\$34,309,119	2.6	212
Miscellaneous Store Retailers	453	\$498,378,431	\$512,988,773	-\$14,610,342	-1.4	632
Florists	4531	\$20,822,243	\$21,929,469	-\$1,107,226	-2.6	77
Office Supplies, Stationery & Gift Stores	4532	\$108,673,746	\$107,764,016	\$909,730	0.4	138
Used Merchandise Stores	4533	\$85,762,007	\$64,759,409	\$21,002,598	14.0	124
Other Miscellaneous Store Retailers	4539	\$283,120,436	\$318,535,880	-\$35,415,444	-5.9	293
Nonstore Retailers	454	\$192,021,748	\$100,097,168	\$91,924,580	31.5	65
Electronic Shopping & Mail-Order Houses	4541	\$140,303,218	\$68,188,598	\$72,114,620	34.6	24
Vending Machine Operators	4542	\$11,599,630	\$1,690,538	\$9,909,092	74.6	9
Direct Selling Establishments	4543	\$40,118,901	\$30,218,032	\$9,900,869	14.1	32
Food Services & Drinking Places	722	\$1,432,276,512	\$1,788,974,499	-\$356,697,987	-11.1	2,296
Special Food Services	7223	\$16,965,040	\$9,860,169	\$7,104,871	26.5	47
Drinking Places - Alcoholic Beverages	7224	\$51,537,863	\$49,812,302	\$1,725,561	1.7	147
Restaurants/Other Eating Places	7225	\$1,363,773,609	\$1,729,302,028	-\$365,528,419	-11.8	2,103

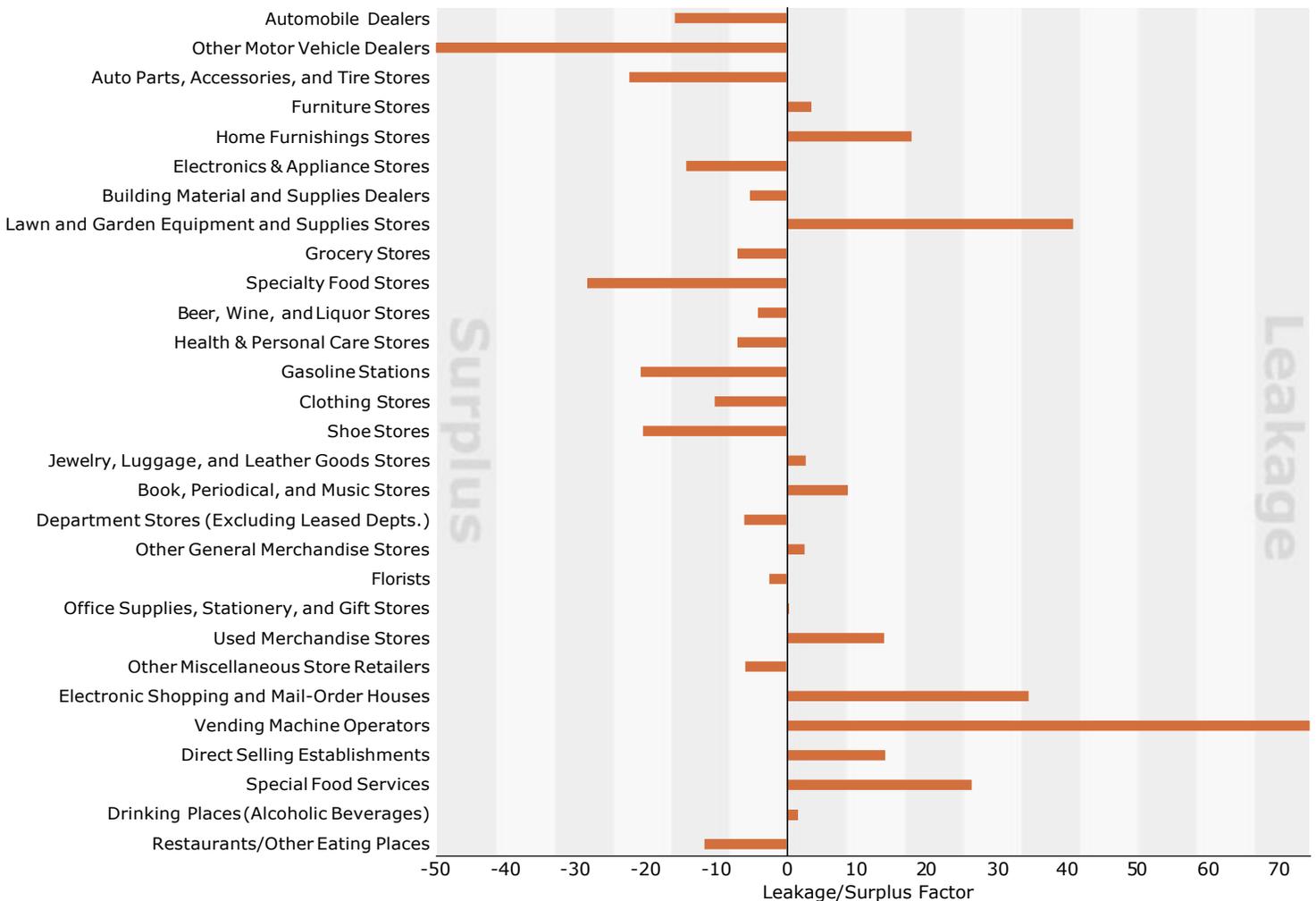
Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Infogroup. Esri 2018 Updated Demographics. Esri 2017 Retail MarketPlace. Copyright 2018 Esri. Copyright 2017 Infogroup, Inc. All rights reserved.

## 2017 Leakage/Surplus Factor by Industry Subsector



## 2017 Leakage/Surplus Factor by Industry Group



Source: Esri and Infogroup. Esri 2018 Updated Demographics. Esri 2017 Retail MarketPlace. Copyright 2018 Esri. Copyright 2017 Infogroup, Inc. All rights reserved.

**Volunteer Report to IEDC**  
**Deep East Texas Council of Governments**

**September 23 – 27th, 2018**

**Jim Fram, CEcD, CCE, FM**

**Sunday, September 23<sup>rd</sup>**

Sunday was travel day with a drive from home to the Springfield, MO Regional Airport, air travel to DFW connection, then to Houston Intercontinental Airport. Picked up rental auto and drove the 1 ½ hours to Livingston in San Jacinto County.

San Jacinto County is one of 16 Counties in Texas impacted by Hurricane Harvey.

Contacted Christi Sullivan to set up a Monday early morning meeting.

**Monday, September 24<sup>th</sup>**

Met early at the Hampton Inn in Livingston with Christi Sullivan, the newly employed Regional Disaster Recovery Coordinator for DETCOG (Deep East Texas Council of Governments) to review her new job description, possible additional duties, and the challenges presented by the geographic area in general as well as the effects that Hurricane Harvey had on her territory.

We also reviewed potential training programs and economic organizations that she could become involved in while pursuing the mission of her new position at DETCOG.

Christi and I then drove to Coldspring, TX, the County seat for San Jacinto County and met Regional Planner Bob Bashaw and DETCOG Executive Director Lonnie Hunt who took us on a driving tour of San Jacinto County.

Following the tour and a brief lunch, we went to the San Jacinto County Courthouse to meet with Patricia Shorter, Sr Economic Development Specialist, from the Austin Regional office of the Economic Development Administration to review elements of the application for the proposed San Jacinto Community Facility which will house several not-for-profit agencies in addition to serving as an Emergency Command Center in future natural or man-made disaster events.

We recommended that the facility be named “The San Jacinto County Innovation Center”, capturing both economic development and other services in the name. The project description is: “A 10k square foot facility to house Agri-Life, Emergency Management, Visitor Development, Economic Development, Workforce Solutions, SBDC, DETCOG, and Farmer’s Market. It would also serve as a Command Post during manmade and natural disasters.” The proposed location would be the corner of Live Oak and Highway 150 in Coldspring, TX.

While in the courthouse we met briefly with San Jacinto County Judge Fritz Faulkner, several County Commissioners including Mark Netuno from Point Blank, Donnie Marrs from Sheppard, Laddy McAnally, and David Brandon, San Jacinto Emergency Management Coordinator to discuss and evaluate their enthusiasm and support for the proposed project.

The entire group toured the existing Community Building which is next door to the proposed site for the new Innovation Resource Center.

### **Tuesday, September 25<sup>th</sup>**

Christi Sullivan and I met again to review the previous day's work, met briefly with Patricia Shorter and Bob Bashaw, then set out to drive back to Coldspring, TX, the County seat.

We met with the County Judge's assistant Michelle to attain copies of the project site survey, environmental report, and to secure a letter of commitment from the County officials. She recommended a meeting with Kimberly Wooley, County Auditor to secure these items.

We walked to the County Annex Building to meet with County Auditor Kimberly Wooley. She agreed to review the demographic info required for the EDA grant application that was available and to send it to Christi.

### **Wednesday, September 26<sup>th</sup>**

Met Christi Sullivan in Lufkin for lunch to review the meetings in Coldspring, TX then drove to the offices of the Texas Forest Country Partnership to meet with Executive Director Nancy Windham to bring her up-to-date on the San Jacinto activity, Christi's activity, and to discuss possible actions for San Augustine and San Augustine County.

We all agreed that the Strategy for Economic Development in San Augustine was sound, and that future action would have to be addressed by local officials which might change dramatically after November elections.

We discussed possible outcomes and possible scenarios that could be pursued to bring San Augustine to be more aggressive about their local economic development.

### **Thursday, September 27<sup>th</sup>**

This was a travel day. Before leaving the Hampton Inn in Livingston, TX, I reviewed notes and contacts to ensure that we had not missed any important items during this visit.

I drove back to Houston Intercontinental Airport for return flight, turned in the rental auto, connected in DFW, landed at Springfield, MO Regional airport then drove back home.

### **Conclusions**

Christi Sullivan has a great deal of experience and a great working knowledge of the area due to being a native and by virtue of her work in managing the day-to-day operation of the Livingston Chamber of Commerce. Her familiarity with the area and local officials will dramatically shorten the learning curve for her becoming an impact for both disaster recovery and for the region's economic development.

I recommended memberships for her in IEDC, TEDC, SEDC, and to be active in the Texas Forest Country Partnership. I also suggested that she immediately pursue professional development through both Economic Development Institute as well as IEDC courses.

As stated in my follow-up report from the visit to San Augustine County, this area is really missing opportunity in not promoting tourism to the area lakes. There is also a missed opportunity to recruit retirees to the area. Markets should include the Houston, DFW, Austin, and San Antonio metropolitan areas. Combined populations are in the millions and there are no lake venues as attractive or as large as those in the San Jacinto and San Augustine Counties and surrounding areas. Infrastructure for this type of economic development is minimal and through lodging and restaurant sales tax programs, the visitors would foot a large part of the bill for development.

While Christi already has a very long title, I would suggest that it include the term “economic development” somewhere. This is a big part of her job duties and is ongoing regardless of disaster recovery activities going forward.

In my opinion, Christi Sullivan is an outstanding addition to the DETCOG team. Lonnie Hunt has made an excellent hire here!



Refugio County  
Economic Recovery Program  
November 13-16, 2018

# Report Outline

1. Introduction/Historic Background
2. Observations/Challenges
3. Housing Market Studies
4. Thoughtful Suggestions

DRAFT

# 1. Introduction/Historic Background

## ***Background Information***

Refugio County, Texas is located approximately midway between the Cities of Corpus Christi and Victoria in the south east portion of the state.

Refugio was founded as New River County in 1858 but was renamed Refugio County in 1861. The county has a population of approximately 7,500 people and covers 294 square miles. Refugio County is home to the Town of Refugio (county seat), Town of Woodsboro, Town of Bayside, the City of Austwell and the unincorporated community of Tivoli.

Adjacent counties to Refugio include:

- Victoria and Calhoun Counties, – north and northeast
- Aransas County, Texas – south
- Goliad, Texas – northeast
- Bee County, Texas – west
- San Patricio County, Texas – southwest

The *Strategic Intermodal System (SIS)* is Texas's high priority network of transportation facilities important to the state's economy and mobility. Established in 2003, the impetus of the SIS was to help focus the states' financial resources on those facilities that were deemed most important for inter-regional, interstate and international connectivity.

Refugio County's key SIS connections and their relevant distances include the following items:

Major Highways – Refugio County contains over 40 miles of interstate quality roads. US Highway 77 (the future Interstate 69 corridor) connects the community to Houston, Corpus Christi and to the Rio Grande Valley. US Highway 183 connects the community to the Eagle Ford Shale immediately to the north and provides connection onto Austin.

Rail Service – Rail transportation is provided through Class I Rail service from Union Pacific with track rights given to Kansas City Southern.

Airport – The County is served by Rooke Field Airport which is owned by Refugio County. Corpus Christi International Airport CRP is an airport serving the Corpus Christi, Texas metropolitan area – including Refugio County. CRP Airport is approximately 67 miles via US-77S. The largest airline carrier at CRP is United Airlines.

Seaport – Refugio County is connected to the Port of Corpus Christi via rail or highway. The County is also adjacent to the Port of Victoria's barge canal offering direct connection to the Intercoastal Waterway.

## ***Our Assignment***

The International Economic Development Council (IEDC) has been active in post-disaster economic recovery efforts since Hurricane Harvey struck the Gulf Coast in August of 2017.

IEDC has led and taken part in several significant initiatives to assist communities in post-disaster economic recovery and disaster preparedness efforts. Those range from assistance with flooding in the Midwest, to the BP oil spill in the Gulf of Mexico, hurricanes along the East and Gulf Coasts and more natural and man-made disasters that have had devastating impacts on U.S. communities. Not only are these events occurring more frequently, but their aftermath has become more costly. The impacts in terms of physical and economic damage in recent years have been staggering.

In response to the increase in disasters, IEDC has developed a program of disaster preparedness and post-disaster economic recovery directed at economic development organizations, chambers of commerce, local business and trade organizations, and other economic recovery stakeholders.



Consultants James Russell, CEcD, and Rick Stein, AICP, received a request through IEDC to assist the Refugio County Community Development Foundation in their ongoing recovery from impacts of Hurricane Harvey which moved over south central Texas in August of 2017. This request included a general community assessment, the completion of Housing studies for the larger communities and providing guidance related to advancing redevelopment efforts and business and residential attraction efforts for the region.

As part of our initial conversation with representatives of IEDC there was considerable discussion related to the *impacts of Hurricane Harvey* on Refugio County and the challenges that resulted from the devastation.

We were also briefed on community concerns about the construction of a *new truck route* that was designed to relieve congestion on US 77 that runs through the Town of Refugio and also impacts the Town of Woodsboro.

Included in our visit to the County were a series of meetings, tours, public meetings and a variety of open discussions with county leadership, local officials, small business owners and residents.

## ***Harvey's Impact***

“Harvey started as a typical weak August tropical storm that affected the Lesser Antilles and dissipated over the central Caribbean Sea. However, after re-forming over the Bay of Campeche,

Harvey rapidly intensified into a category 4 hurricane (on the Saffir-Simpson Hurricane Wind Scale) before making landfall along the middle Texas coast. The storm then stalled, with its center over or near the Texas coast for four days, dropping historic amounts of rainfall of more than 60 inches over southeastern Texas. These rains caused catastrophic flooding, and Harvey is the second-most costly hurricane in U.S. history, after accounting for inflation, behind only Katrina (2005).<sup>1</sup>

A Major Disaster was declared by President Trump on August 25, at the request of Texas Gov. Gregg Abbott and included Refugio County as eligible for both FEMA Individual and Public Assistance (Categories A-G).

To understand the impacts to Refugio County we also reviewed the National Hurricane Center Tropical Cyclone Report completed by the National Oceanic and Atmospheric Administration, and initially issued January 23, 2018 and modified in May of that same year.

While this report focused on the entire tracking and impact of Hurricane Harvey, there were key components that described the impact of the storm on northern Texas in general and included specific references to Refugio and surrounding counties.



The hurricane reached category 3 status by midday on August 25 while it approached the middle Texas coast and intensified into a category 4 hurricane on August 26. Harvey's center made landfall on the northern end of San Jose Island about 5 miles east of Rockport, Texas

at 0300 UTC (coordinated Universal Time) that day. Sustained winds of 115 kt and a minimum central pressure of 937 mb were estimated for that landfall. The hurricane then made a second landfall on the Texas mainland 3 hours later, slightly weaker due to land interaction, with 105 kt winds and an estimated central pressure of 948 mb southeast of Refugio on the northeast coast of Copano Bay west of Holiday Beach.<sup>2</sup>

The report also pointed out that rainfall forecasts for Harvey, issued by the Weather Prediction Center (WPC), were the highest on record for any U.S. tropical cyclone event and deserve some comment. When Harvey re-formed in the Gulf of Mexico, the initial maximum rainfall forecast was for 20" in southeastern Texas. These rainfall forecasts were gradually increased to a peak of

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<sup>1</sup> NATIONAL HURRICANE CENTER TROPICAL CYCLONE REPORT, HURRICANE HARVEY; 17 August – 1 September 2017, Eric S. Blake and David A. Zelinsky, National Hurricane Center, January 23, 2018

<sup>2</sup> NATIONAL HURRICANE CENTER TROPICAL CYCLONE REPORT, HURRICANE HARVEY; 17 August – 1 September 2017, Eric S. Blake and David A. Zelinsky, National Hurricane Center, January 23, 2018

40” several hours before Harvey made landfall in Texas, roughly 24-36 hours before the extreme rains began in the Houston metro area. These totals were further raised to 50” about a day before the center of Harvey left Texas.

We also researched locally reported impacts including the information below:

Excerpts from a report issued by NOAA/National Weather Service Corpus Christi, Texas, entitled Hurricane Harvey’s Impacts across South Texas, issued following the Hurricane highlight the following:

- Harvey rapidly intensified from a Tropical Depression to a Major Hurricane in 40 hours.
- Harvey rapidly intensified from a Tropical Storm to a Major Hurricane in 28 hours.
- Tied for 17th strongest U.S. land-falling hurricane at 938 mb.
- Peak 10-meter 1-sec Wind Gust of 150 mph observed at the Rockport Airport @ ~0318Z Aug 26th (Center for Severe Weather Research).
- Peak Storm Surge of 12.5 feet observed at the Aransas National Wildlife Refuge (National Weather Service Storm Survey).

### ***Refugio Truck Route***

The Texas Department of Transportation (TxDOT) has conducted a route study along US Highway 77 (US 77) in Refugio County from approximately one mile south of Woodsboro to Lambert Road just north of Refugio. The route study was conducted to help facilitate the future goal of designating this section of US 77 as part of the Interstate 69 (I-69) highway system. In response to Fixing America’s Surface Transportation Act (FAST Act) requirements, TxDOT conducted the US 77 Woodsboro/Refugio Route Study where route options were presented and evaluated for impacts and fatal flaws.

The plans were basically developed to provide an alternate route for freight-carrying trucks to reduce the volume of truck traffic through the City and to provide a safer vehicular experience through the City.

As part of our research we also reviewed two published reports that provide commentary to the impact of highway bypasses to a community. These reports – one from Texas and one completed in Florida – look at the impact to local businesses from a sales standpoint and the other a more full stationed view of the impacts to businesses and community as well.

The Texas study concluded that bypasses do not have positive economic impacts on cities as a whole; high traffic splits and significant separation between a bypass and the original route are associated with rather negative impacts. Moreover, the impact of diverted traffic appears to be more adverse if the traffic levels in the city are small.

The Texas study also maintained that “In light of these findings, transportation planners and cities should carefully consider proposals for relief routes, in order to determine if a bypass is in fact desirable and socially beneficial. There are several non-economic benefits that can accrue to affected populations (e.g., safety and ease of movement downtown), and these need to be given fair weights when balancing any costs of concern.”<sup>3</sup>



The other report reviewed as part of our work was a report commissioned by Florida Department of Transportation entitled The Impacts of Bypass Highways on Small- and Medium-Sized Cities in Texas. This report was completed in 2011.

This report was included because the local community (Bradford County, Florida) was very similar to Refugio in terms of

population, proximity to larger communities of similar size, and because both communities were very concerned with the potential impact.

One interesting chart included in the aforementioned report compared preconceptions about the impact of a by-pass to small and medium cities with findings from their study. The following information was included as a table in the report:

Table 2. Bypass Effects Preconceptions and Findings<sup>4</sup>

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<sup>3</sup> THE IMPACTS OF BYPASSES ON SMALL- AND MEDIUM-SIZED COMMUNITIES: An Econometric Analysis; Sivaramakrishnan Srinivasan and Kara Maria Kockelman of the University of Texas at Austin, July 2000.

<sup>4</sup> Impacts of Bypass Highways on Small- and Medium-Sized Cities in Florida: Enhancing Existing Evaluation Methods

December 2011, Prepared for Florida Department of Transportation by Karen E. Seggerman, AICP and Kristine M. Williams, AICP

Congestion - *Preconception: Bypasses reduce traffic congestion on the original route through the CBD*

Finding: In all cases, peak hour traffic through the CBD was reduced. The difference in travel time between the old facility and the bypass will determine how many vehicles will divert to the bypass (System Metrics Group, Inc. 2006).

Freight Movement -*Preconception: Bypasses improve the speed and reliability of freight movement*

Finding: Because the bypass circumvented traffic congestion and traffic control devices, trucks tended to choose the bypass instead of the original route. Thus, travel time and reliability of freight movement improved. The removal of trucks from the CBD tended to improve quality of life in the CBD by reducing noise and allowing the road to be redesigned in a more aesthetic fashion (Handy et al 2000).

Economic Development -*Preconception: Bypasses provide an opportunity for economic development and increased tax base*

Finding: The actual impact of bypasses on the economy of small communities is mixed, although "...from a local officials point of view the combination of enhanced mobility...and newly accessible land provides an opportunity for growth" (Mills 2009). The economies of smaller communities (<2,000 population) are more likely to be adversely impacted by a bypass (Leong 2000).

Sprawl - *Preconception: The new bypass roadway will encourage urban sprawl and adversely impact community character*

Finding: Some bypasses induced urban sprawl, while others seemed to have no impact. The likelihood of sprawl depended on the region's growth rate, the functional class of the roadway, the comprehensive plans in place before the bypass was constructed, and the scale of development permitted near the bypass (ODOT 2002). Faster growing areas experienced some development pressure along the bypass (Weisbrod 2001).

Population Loss - *Preconception: The bypass route will draw away population from the bypassed CBD*

Finding: Bypassed cities did not experience universal population loss. The smallest communities (less than 500) were the most prone to population loss. Larger communities were the least likely to lose population, and some even showed moderate gains (Pettit 2007). In areas with no or slow population growth, little residential development chose to build next to the bypass.

Business Activity - *Preconception: There will be a decline in sales and loss of business activity along the bypassed route, particularly among highway-oriented businesses (gasoline, fast food, etc.)*

Finding: Travel-related businesses tend to relocate to the bypass. Further, total sales for the sector often increased (Srinivasan 2002). Downtown business districts in communities with a well-developed local customer base are less adversely impacted by a state route bypass than communities highly dependent on drive-by traffic (Gillis 1994). Perceptions of bypass impacts on business activity varied by industry. Babcock (2004) found that convenience stores and the motel industry perceived bypasses as negative to their business; whereas truck, auto and restaurant establishments perceived bypasses as positive.

Business Relocation - *Preconception: Businesses will relocate out of the CBD to the bypass route, incurring relocation costs and reducing local tax base*

Finding: Regional retail (big box) and travel-related businesses usually relocated to the bypass route (Weisbrod 2001). Service industries were the least affected by the presence of a bypass and tended to stay in the CBD (Srinivasan 2002). CBDs with a strong identity as a destination for local shoppers were strengthened due to a reduction in traffic delays and exhibited little retail flight (Leong 2000).

Property Values - *Preconception: Property values and occupancy rates of property along the bypassed route will decline*

Finding: No clear consensus was reached during the knowledge search. The overall tax base increased in virtually every circumstance, but the reasons for the increase differed. In some cases the property values in the CBD rose, while in others the CBD stagnated but the loss was offset by increased value adjacent to the bypass (Otto 1995).

Community Support - *Preconception: Residents of the CBD will oppose a bypass due to concerns relating to economic and quality of-life factors*

Finding: Although pre-construction opposition was not uncommon, community opinions on bypasses tended to be more supportive after construction of the facility. As noted by Pettit (2007) in a recent study of Iowa bypasses: "Overall the communities do not blame the bypass for much of anything and instead praise them for having removed traffic, congestion, and pollution from their towns."

## **Employment Outlook**

We have identified three major upcoming projects in San Patricio, Calhoun, and Nueces Counties that will create a significant number of jobs in the Coastal Bend area within the next few years.

In San Patricio County, ExxonMobil and a Saudi Arabian partner SABIC have created a new company called Gulf Coast Growth Ventures. This company has made plans to open the world's largest plastics manufacturing facility on a 1,300-acre site near Gregory, TX. This \$7 billion project has promised to provide 6,000 builder jobs at peak construction, as well as 3,500 indirect jobs providing services and goods during construction. Once finished (2020/2021), the plastics plant will employ 600 permanent workers in the county and surrounding area.

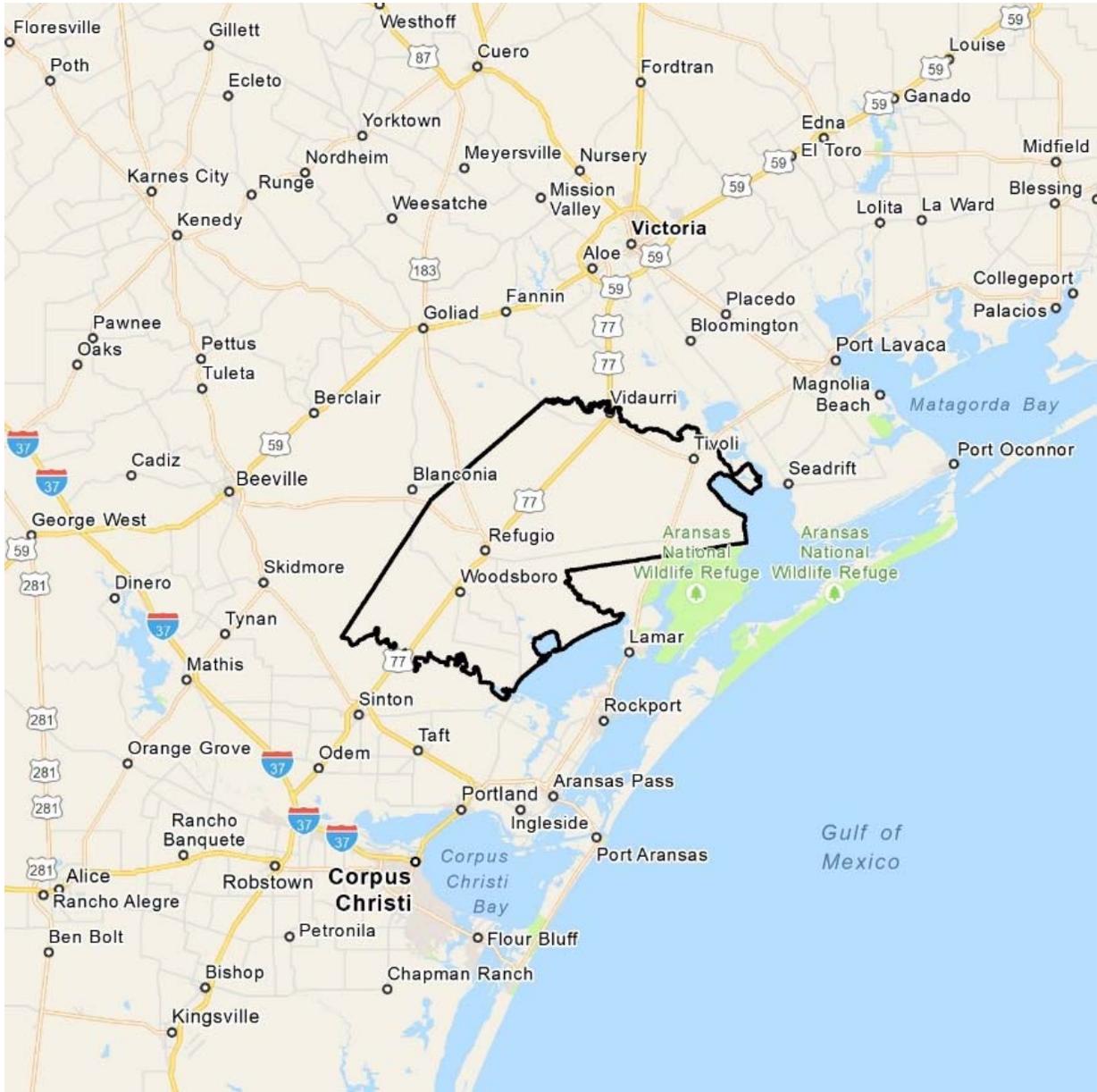
A similar type of project has been planned in Calhoun County. A company called Novus International is constructing a manufacturing facility to produce a livestock feed supplement. The number of construction jobs required was not announced, but Novus has indicated that 65 employees will be required to operate the plant.

The final major project has been announced by the Port of Corpus Christi in Nueces County. The Port has partnered with The Carlyle Group, a global investment firm, to develop a major crude oil export terminal on Harbor Island. This renovation would make the port capable of exporting fully-laden Very Large Crude Carriers, making it the first onshore location in the U.S. that can load carriers that size. The terminal will include the development of two loading docks on Harbor Island as well as additional crude oil tank storage inland. This new terminal will provide thousands of direct and indirect jobs for both construction and ongoing operations.

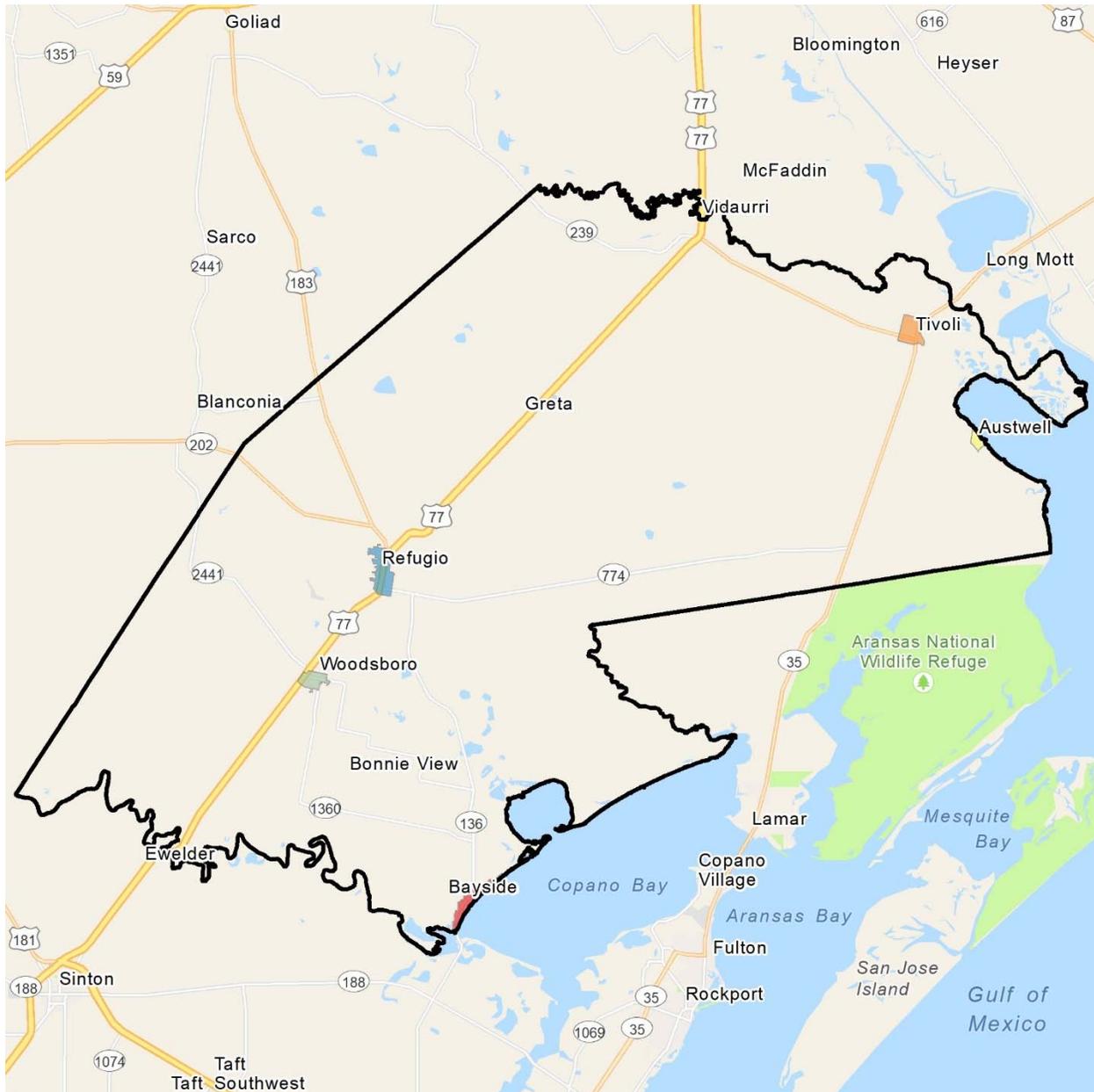
### **Historic Background**

The story of historic growth or decline in Refugio County is perhaps best told via a series of maps and relevant table data. There have been many projects, both large and small, that have taken shape over the last two decades throughout the Golden Crescent and Coastal Bend regions in Texas, resulting in thousands of temporary and permanent new jobs. However, most of the benefits have been accrued by counties surrounding Refugio County and have not occurred within the County itself. To better understand why this is happening, we must first analyze what has happened and where it is happening.

The maps and data on the following pages will be presented in two scales: a small-scale map that allows for the visualization of data for the greater region, and a larger scale that provides a more detailed look of Refugio County.



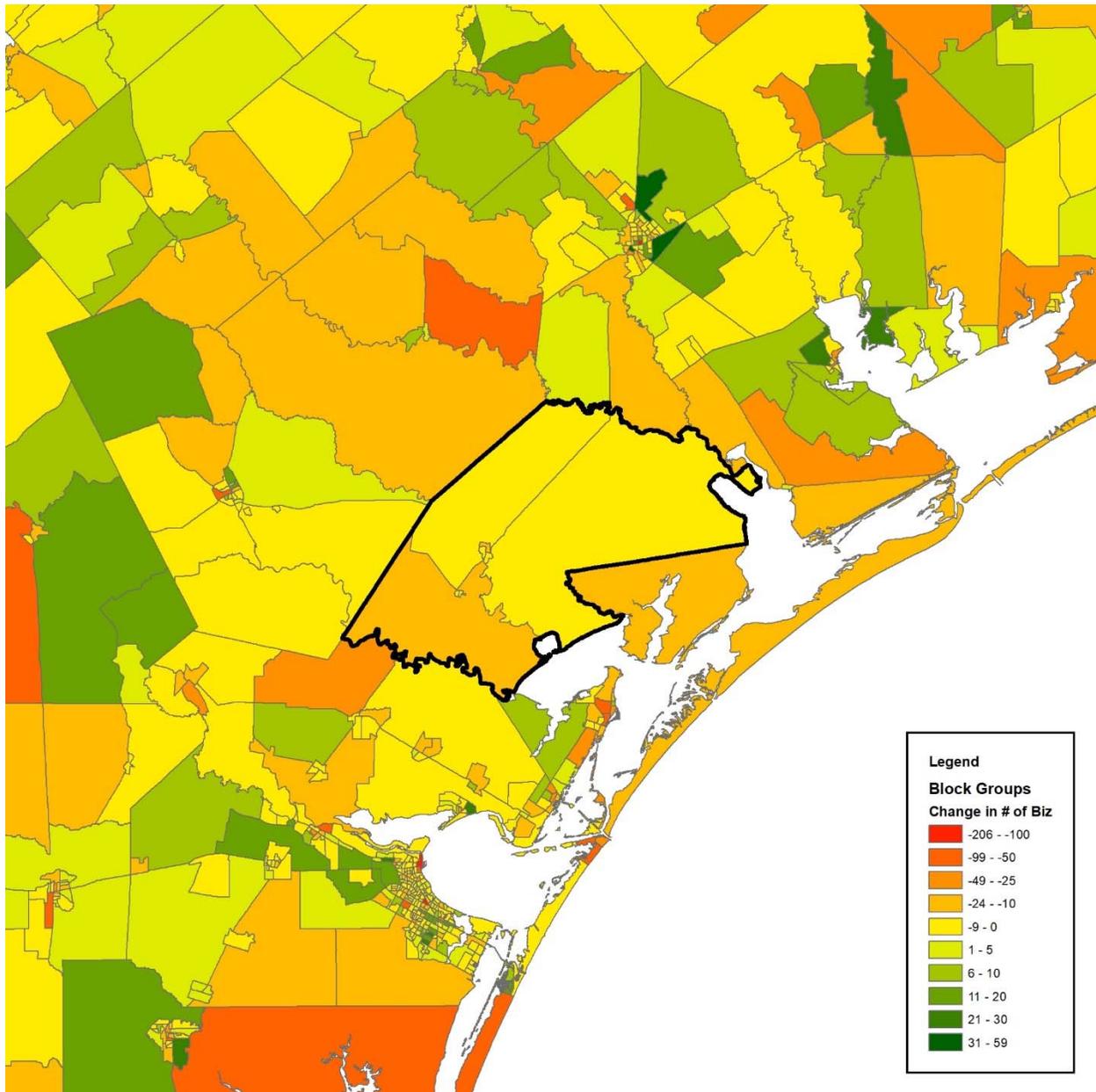
Map 01 – Small-scale Regional Map illustrating the location of major features and points of interest



Map 02 – Large-scale County Map illustrating the location of Refugio, Woodsboro, Bayside, Austwell and Tivoli, as well as U.S. 77 and other local roads.

The previous “base” maps are presented to illustrate where the major points of interest reside. The thematic maps that follow will focus on the *data* and will limit the number of places, roads, and bodies of water to reduce the visual clutter. The data elements are contained within Census Block Group geographies. Block Groups are smaller than Census Tracts and allow for a greater level of detail.

### Change in Number of Businesses from 2010 to 2018



Map 01 – Estimated Change in the Number of Businesses from 2010 to 2018 (Regional Scale)

Since 2010, the total number of businesses has increased most significantly in the areas including Corpus Christi, Victoria, Port Lavaca and Point Comfort. The net change by industry classification is listed in the following table:

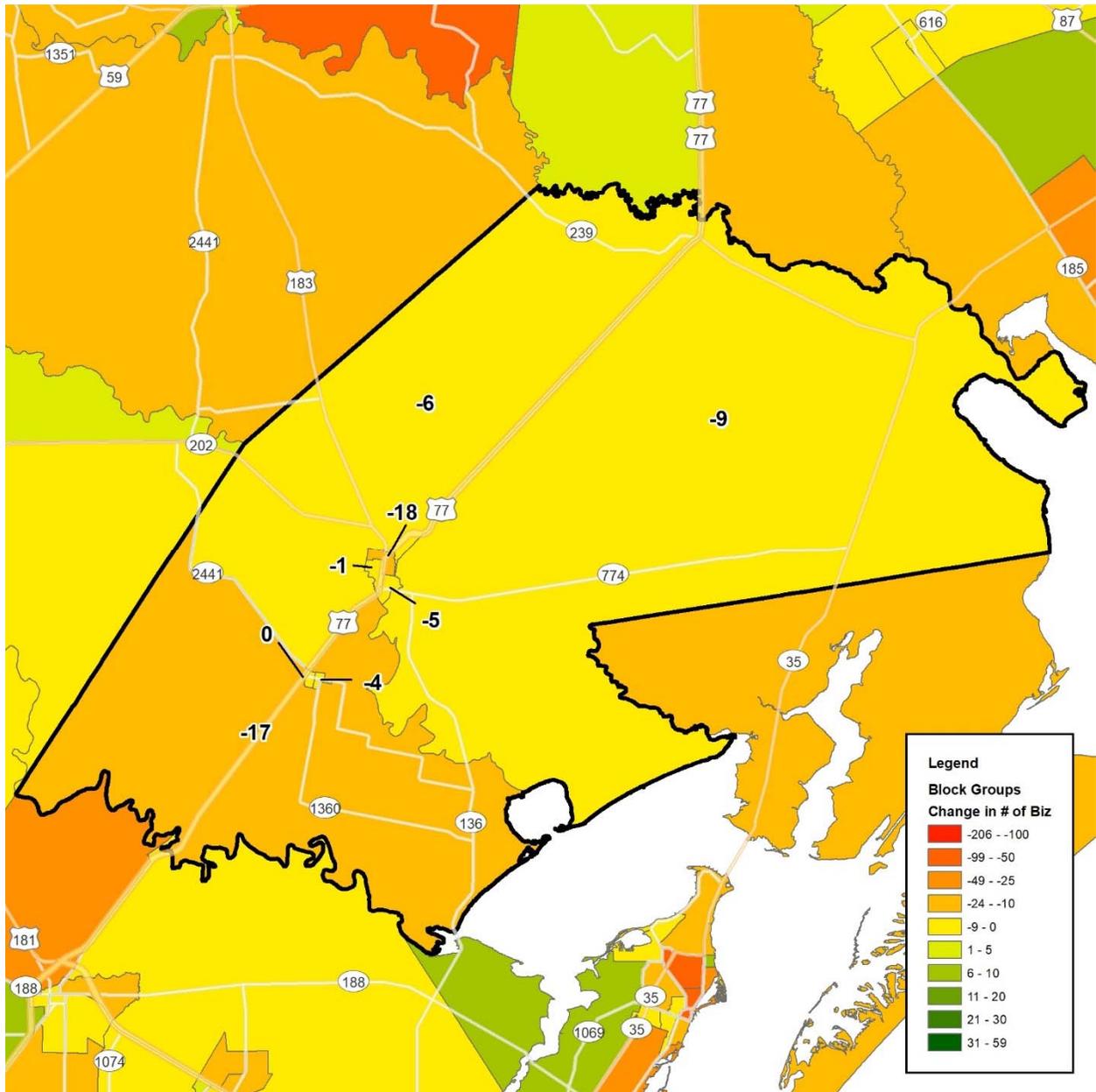
	2010	2018	Change
<b>Agriculture, Forestry, Fishing and Hunting</b>	383	358	-25
<b>Mining, Quarrying, and Oil and Gas Extraction</b>	319	288	-31
<b>Utilities</b>	123	118	-5
<b>Construction</b>	2,636	2,341	-295
<b>Manufacturing</b>	893	820	-73
<b>Wholesale Trade</b>	1,419	1,148	-271
<b>Retail Trade</b>	4,310	3,929	-381
<b>Transportation and Warehousing</b>	886	749	-137
<b>Information</b>	512	542	30
<b>Finance and Insurance</b>	2,142	2,558	416
<b>Real Estate and Rental and Leasing</b>	1,878	1,758	-120
<b>Professional, Scientific, and Technical Services</b>	1,933	1,960	27
<b>Management of Companies and Enterprises</b>	25	46	21
<b>Administrative/Support and Waste Mgmt. and Remediation Services</b>	1,032	920	-112
<b>Educational Services</b>	832	770	-62
<b>Health Care and Social Assistance</b>	2,134	2,091	-43
<b>Arts, Entertainment, and Recreation</b>	602	562	-40
<b>Accommodation and Food Services</b>	2,329	2,401	72
<b>Other Services (except Public Administration)</b>	3,981	3,470	-511
<b>Public Administration</b>	1,660	1,557	-103
<b>Unclassified</b>	538	1,134	596
<b>Totals</b>	<b>30,567</b>	<b>29,520</b>	<b>-1,047</b>

Table 01 – Estimated Change in the Number of Businesses by Industry; 2010 to 2018

The industry data is for the entire region visible on the map. Effectively, it is the Coastal Bend and Golden Crescent regions and their surrounding environs. Over this eight-year period, the total number of businesses has declined. This likely represents business trends that favor consolidation and thus, efficiency.

The industries with the largest employer gains were Finance and Insurance and Accommodations and Food Services – a trend that is reflected nationally. These businesses naturally tend to cluster where people live, which is consistent with where the greatest increases showed up on the map – in population centers such as Corpus Christi and Victoria.

The industries that lost the most businesses were Retail Trade and Other Services. The “Other Services” category includes services such as: repair and maintenance, laundry services, and religious/civic/professional organizations.

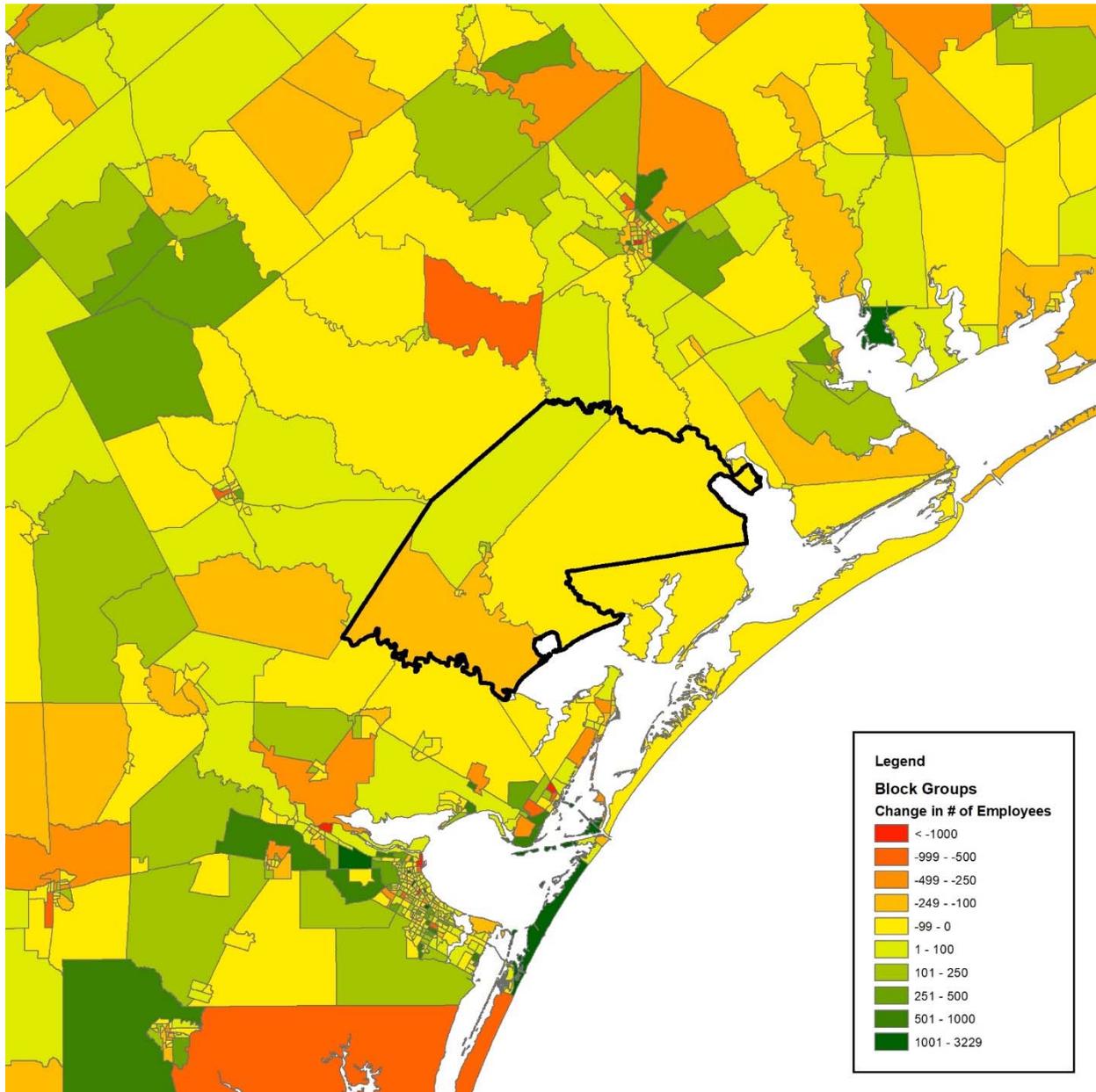


Map 02 – Estimated Change in the Number of Businesses from 2010 to 2018 (County Scale)

Refugio County is estimated to have a net loss of 60 businesses. The decline was comparatively even across the entire County.

The change in the number of businesses at the Refugio County level mirrors that at the regional level. The Finance and Insurance businesses showed a net increase of 14 businesses while Other Services saw a net decline of 15 businesses.

### Change in Number of Employees from 2010 to 2018



Map 03 – Estimated Change in the Number of Employees from 2010 to 2018 (Regional Scale)

The concentration of the largest gains in terms of employees is similar to where the gains in total businesses are located – Corpus Christi, Victoria, Port Lavaca and Point Comfort, which makes sense. There are some interesting differences. Although the Portland-Gregory area

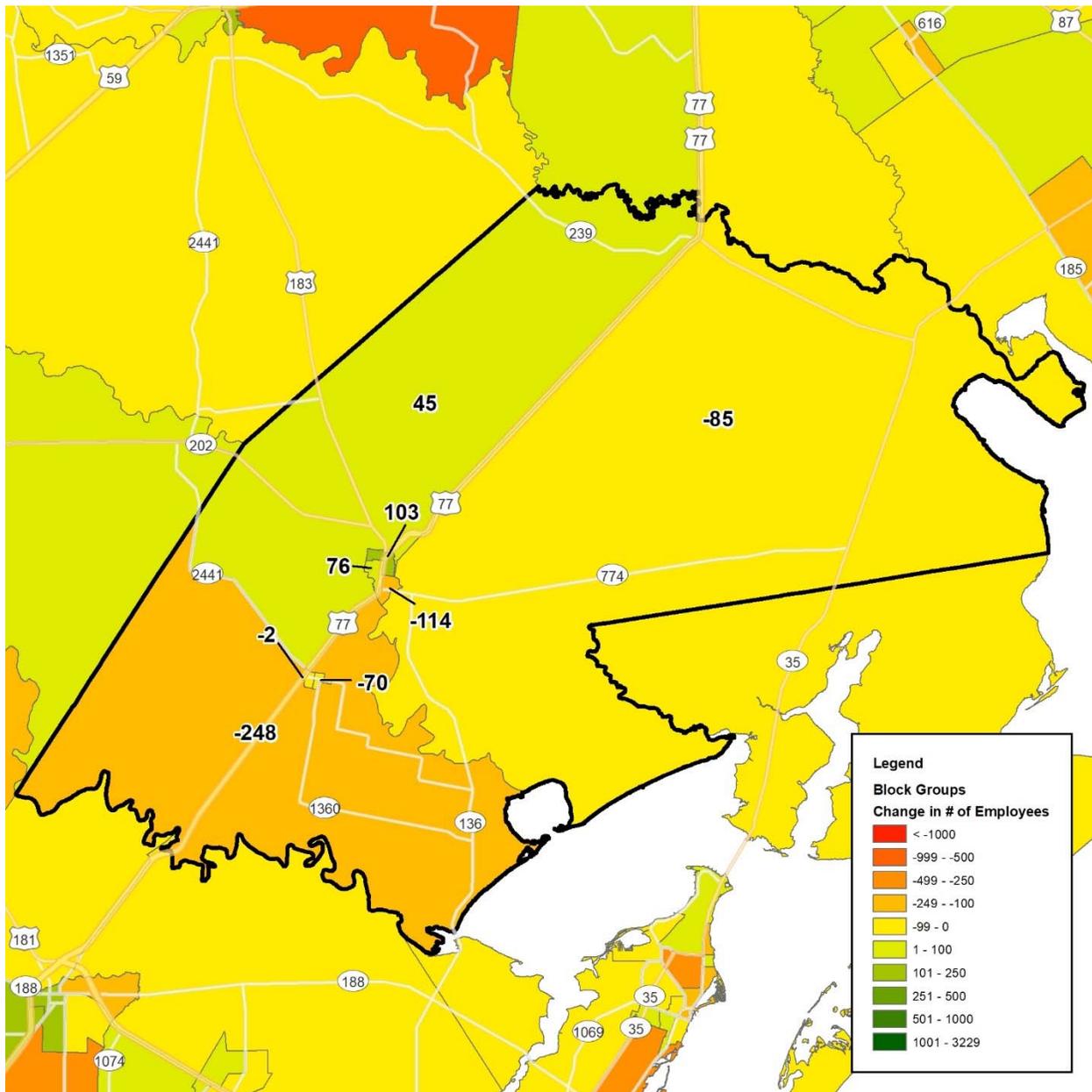
experienced some areas of modest decline in the number of total businesses, the total number of employees increased. These same phenomena also occurred in southeastern Bee County, adjacent to Refugio County.

	2010	2018	Change
<b>Agriculture, Forestry, Fishing and Hunting</b>	1,545	2,116	571
<b>Mining, Quarrying, and Oil and Gas Extraction</b>	4,218	4,872	654
<b>Utilities</b>	1,376	1,723	347
<b>Construction</b>	26,272	27,241	969
<b>Manufacturing</b>	18,509	18,315	-194
<b>Wholesale Trade</b>	16,815	16,307	-508
<b>Retail Trade</b>	40,308	42,881	2,573
<b>Transportation and Warehousing</b>	7,844	7,962	118
<b>Information</b>	4,929	6,292	1,363
<b>Finance and Insurance</b>	10,794	9,895	-899
<b>Real Estate and Rental and Leasing</b>	8,056	8,171	115
<b>Professional, Scientific, and Technical Services</b>	11,766	16,388	4,622
<b>Management of Companies and Enterprises</b>	1,056	455	-601
<b>Administrative/Support and Waste Mgmt. and Remediation Services</b>	7,916	8,685	769
<b>Educational Services</b>	34,366	34,618	252
<b>Health Care and Social Assistance</b>	42,819	46,914	4,095
<b>Arts, Entertainment, and Recreation</b>	4,188	4,474	286
<b>Accommodation and Food Services</b>	30,785	32,184	1,399
<b>Other Services (except Public Administration)</b>	16,765	16,852	87
<b>Public Administration</b>	32,747	30,874	-1,873
<b>Unclassified</b>	1,732	301	-1,431
<b>Totals</b>	324,806	337,520	12,714

Table 02 – Estimated Change in the Number of Employees by Industry; 2010 to 2018

The greatest employment gains in the region are consistent with national trends. Professional, Scientific and Technical Services experienced the greatest employment gains. This includes such services as legal, accounting, architecture and engineering, design, computer systems, scientific research, advertising and marketing, and all forms of related consulting. Wages are typically higher than average within the industry sector as a whole.

Health is expected to continue to grow for at least the next decade as the population ages. The number of health care facilities, however, continues to shrink as services are consolidated into larger out-patient centers.

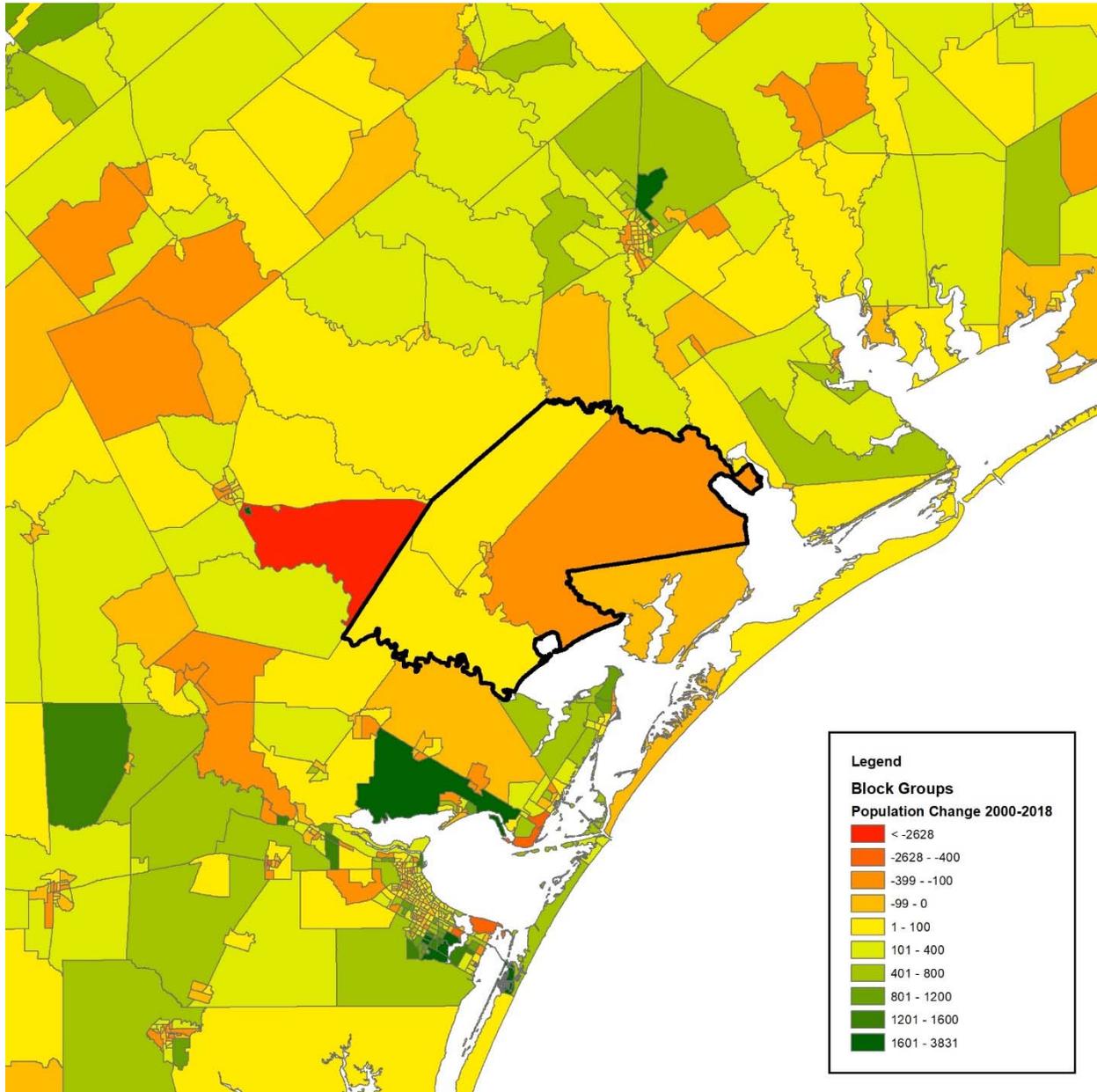


Map 04 – Estimated Change in the Number of Employees from 2010 to 2018 (County Scale)

Refugio County is estimated to have a net loss of 295 workers from 2010 to 2018. The northwest quadrant of the County, however, had a net gain of 224 workers.

The greatest loss occurred in the Educational Services sector which saw a net decline of 148 workers. The greatest gains in employment occurred in Retail (+53) and Health Care (+48).

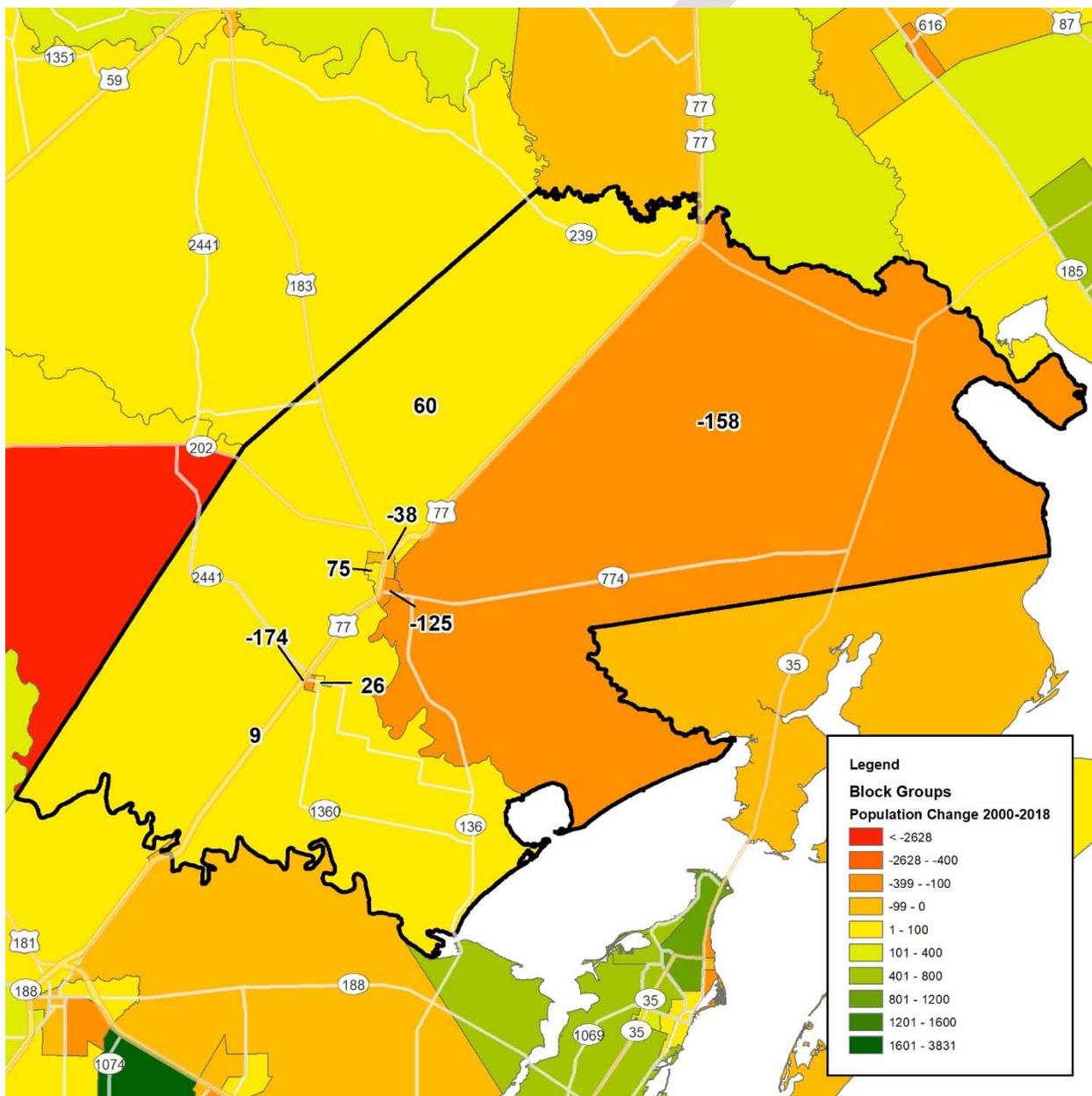
**Change in Population from 2000 to 2018**



Map 05 – Estimated Population Change 2000 to 2018 (Regional Scale)

The most significant population growth since 2000 has occurred south of Refugio County, in and around Corpus Christi. There has been an estimated net gain of close to 73,000 people in this area since 2000. Respectable gains have also been made around Victoria. Since 2000, this area has realized a net gain of close to 14,000 people.

Please note, the Block Group illustrated in red, adjacent to Refugio County is indicating population loss of 2,628 but this is misleading. Since 2000, the William G. McConnell Prison has been assigned its own Block Group and removed from this larger Block Group.



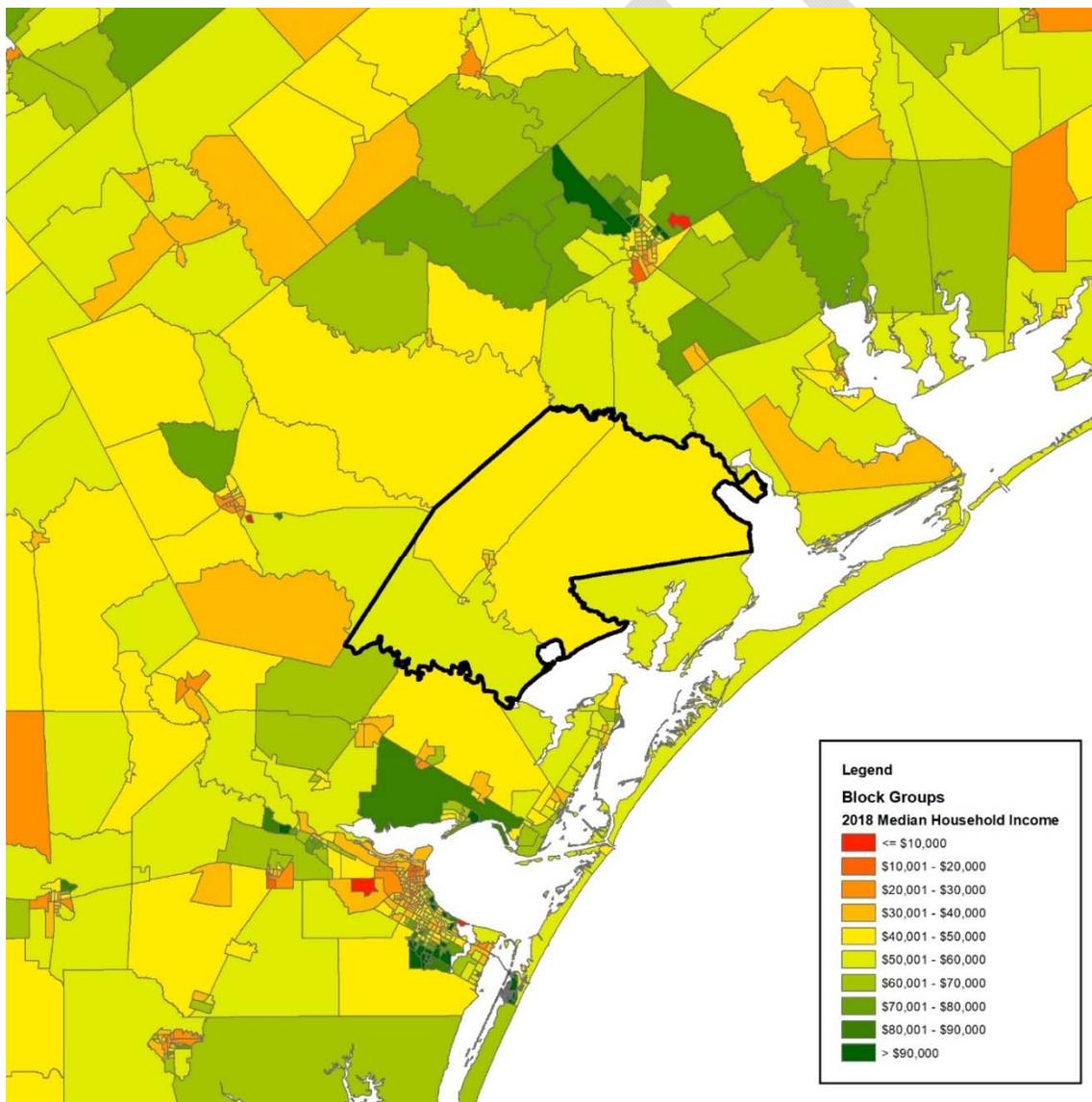
Map 06 – Estimated Population Change 2000 to 2018 (County Scale)

The larger scale of this map allows for a higher level of detail when looking at the entirety of Refugio County. There are effectively three Block Groups that constitute the Town of Refugio. The net change in population among these three Block Groups is -88. The area with the population gain (+75) is primarily the area immediately west of U.S. 77.

Woodsboro effectively consists of two Block Groups. The only area to see an increase in population is on the western portion of Woodsboro. This is also the location of the newest housing, which is not annexed into the Town.

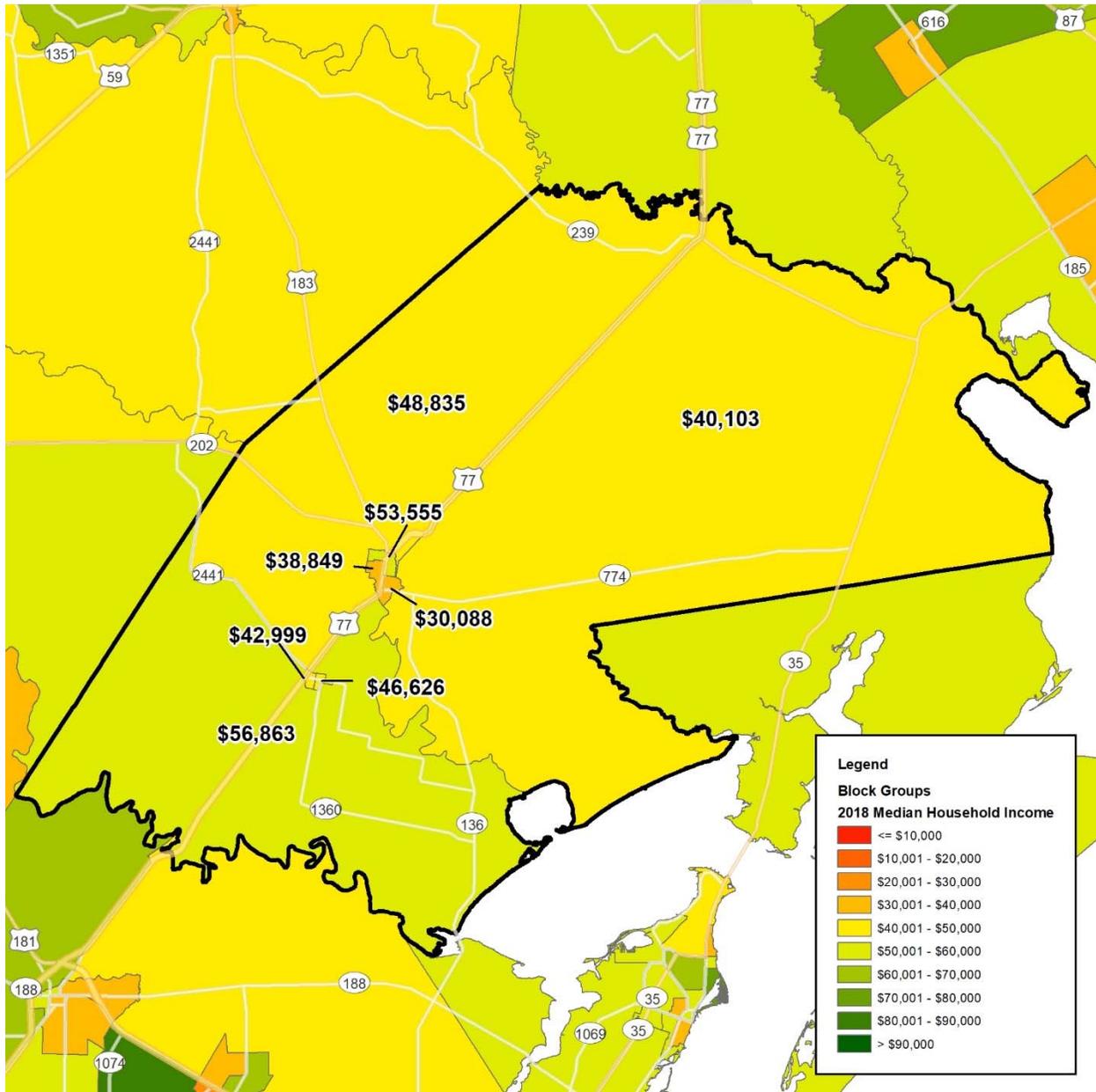
The estimated population loss for the entire county over an 18-year period is 325 people. Keep in mind, this number may not accurately reflect the full impact of the hurricane, but it is close.

### 2018 Median Household Income



Map 07 – Estimated 2018 Median Household Income (Regional Scale)

For most people, income equals wages. Income can be earned anywhere, but the Median Household Income data point reflects where the household resides. There are two primary takeaways from this map. First, the relatively high median incomes (when compared against the rest of the region) around Victoria are distributed across a rather large area. Compare that to Corpus Christi, which has more businesses and more workers. In central Corpus Christi, incomes are quite low, but even beyond the central city, incomes are not as high or as distributed as those around Victoria.

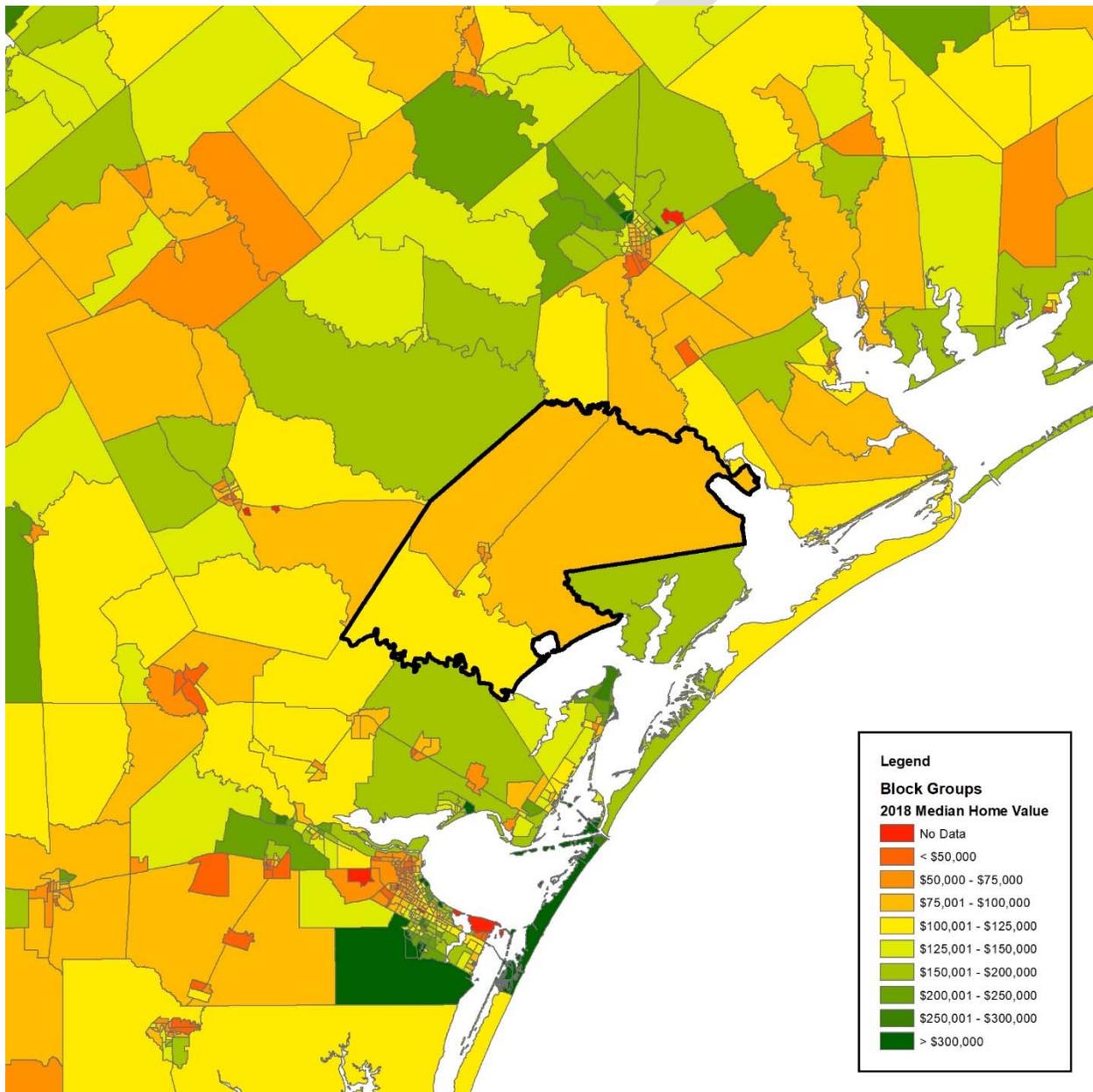


Map 08 – Estimated 2018 Median Household Income (County Scale)

The Median Household Income for the entirety of Refugio County is \$48,129. By comparison, the Median Household Income in the U.S. is \$61,372. The U.S. Department of Health and Human Services has established the 2019 poverty line for a family of four to be \$25,750.

The highest median incomes in the County are in the southern portion of Refugio County and the north/northwest portion of the Town of Refugio. However, incomes throughout the rest of Refugio are low.

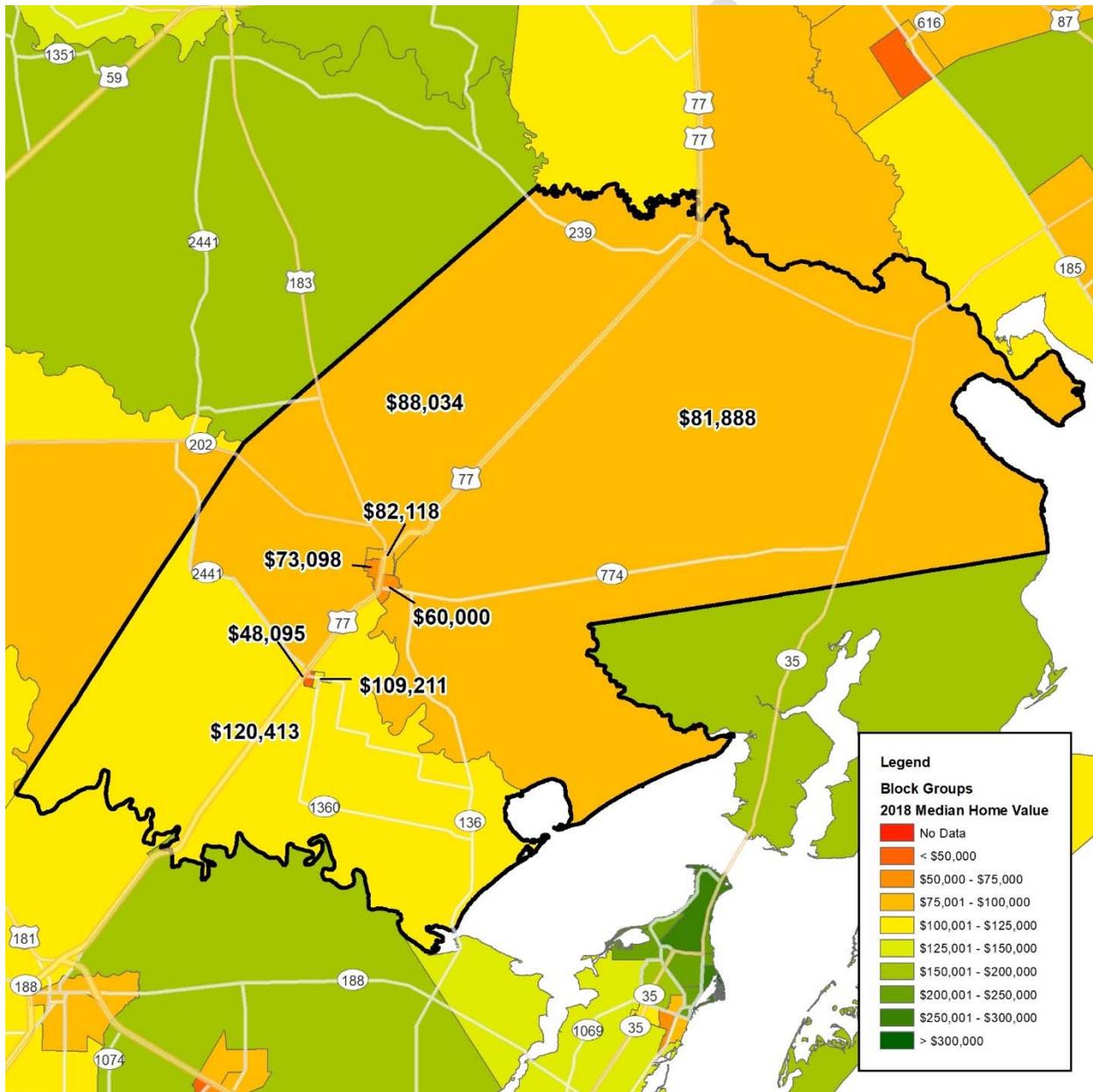
### 2018 Median Home Value



Map 07 – Estimated 2018 Median Home Value (Regional Scale)

The primary takeaway from this is home values are much higher not just along the coast (which you would expect), but also in rural/exurban and suburban locations as well. Urban cores such as those in Corpus Christi and Victoria are struggling.

The Portland-Gregory-Aransas area is relatively strong – home values are generally between \$150,000 and \$200,000. The same can be said for Goliad County where median home values tend to be closer to \$200,000.



Map 08 – Estimated 2018 Median Home Value (County Scale)

Southern Refugio County (which includes Bayside) boasts the highest overall home values in the County. The relatively new home construction just outside of Woodsboro is likely responsible for pushing the median home value close to \$110,000. The southern portion of the County where values are generally over \$120,000 are consistent with the regional data where home values tend to be higher as you get closer to Corpus Christi Bay.

The entire county has a median home value of \$84,380. By comparison, the median home value in the U.S. is \$225,300. The median home values of the surrounding counties are as follows: Aransas (\$188,379), Bee (\$93,464), Calhoun (\$110,949), Goliad (\$148,301), San Patricio (\$119,744), and Victoria (\$136,332).

### **Report Summary**

As part of this effort we will be sharing our observations about the community, our thoughts about some of the more significant challenges we see facing the community, a snapshot of opportunities that we believe could benefit the County and what we describe as “thoughtful suggestions” that should be considered as a jump start to creative thinking!

#### *What this report is NOT*

- This report is NOT an answer key. It is not designed to give you a step by step process to solve specific issues that need immediate attention or action.
- This report is NOT based on a detailed review of plans, specifications, extended research, surveys, etc. It is based on observations, discussions and limited reading.
- This report is NOT an attempt to throw any person, organization, political subdivision, business owner or resident “under the bus”. It is about providing you an outsider’s opinion on what and how we perceive the community and what we were able to learn in a limited amount of time.

This study is NOT a completed project but rather the beginning of your process to decide what steps you choose to take to enhance your community.

## 2. Observations/Challenges

The following is a summary of our visits and our general observations and impression of the communities we toured:

### Refugio County

Our first meeting in the County was held on Tuesday, November 13, when we met with County Judge Bobby Blaschke. The Judge outlined many impacts of Harvey that continued to plague the County as well as what has been happening since the Hurricane. We also attended a monthly County Recovery meeting organized by the Judge that included the mayors (or their representatives) of the area communities, representatives from several non-profits (Habitat for Humanity, Refugio County Community Development Foundation, etc.) and other community leaders.

Both the discussions with Judge Blaschke and the Recovery Committee meeting provided insight to work being done as well as some of the key community concerns that we would learn more about during our visit. Included was a brief review of the current FEMA eligible projects in the county which represents 85-90 buildings (including the Courthouse), that a major focus of the County was on preparedness. In essence, the Judge pointed out that there was really no facility to handle the storage, people, building materials, etc. to help manage catastrophic events like Harvey.

The impacts of housing – both what was lost and what is needed - was discussed in detail. Specific comments such as finding appropriate housing for the School Superintendent and teachers were mentioned as well as discussion that there were similar shortages in low income housing as well.



Big issues discussed ranged from inadequate infrastructure, high cost of insurance, financial challenges of local governments, ownership issues which impacted FEMA qualifications, and even the capacity of local government to implement programs aimed at improvements were shared.

We also heard a brief impact of Harvey on the more rural and agricultural sections of the County. As part of the storm over 20 miles of fence line was destroyed, 41k acres of damage were sustained to the cotton crops (approximate 20,000 bales lost), 34k acres of grain sorghum, 4k acres of corn and 4k acres of hay were lost.

As part of the discussion on preparedness it was stressed that the County (and State) need to help provide for an animal supply point (feed, etc.) for emergencies.

Challenges to the local water systems was also introduced including challenges with high findings of arsenic levels in the Gulf Coast aquifer system and specifically in the Woodsboro system.

A follow-up review of a study commissioned by the Texas Commission on Environmental Quality and completed in August of 2018 identified the highest concentrations of groundwater arsenic in Texas as associated with the Gulf Coast aquifer which is the major source of well water in Refugio County. The same report identified the Town of Woodsboro of having 11 quarters of violations impacting approximately 1494 residents.<sup>5</sup>

The U.S. 77 bypass is a concern among many business owners and residents alike. As of this writing, it appears the Texas Department of Transportation is leaning towards a realignment that would place the bypass on east of Refugio. This path would have the least amount of impact on existing homeowners. However, regardless of where the bypass is built, business owners whose properties are located along Alamo Street (U.S. 77) are concerned that the rerouting of traffic will result in less business activity.

#### Visit with the City of Austwell

On the morning of Wednesday, November 14, we met with Mayor Mary Canales of the City of Austwell. She informed us that Hurricane Harvey had damaged every single housing unit in the city. At the time, there were 125 active water meters and 15 vacant homes with no active water metering.

Mayor Canales expressed frustration with FEMA regarding payments to homeowners. "Each time a homeowner makes an improvement (to make the home habitable), FEMA has to reevaluate and change their allocation amount," the mayor stated. The process can be tedious because homeowners first need to fix the major things just to make the house habitable before they can even consider fixing the entire house.

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<sup>5</sup> Assessment of Arsenic in Groundwater and Water Supply Systems in Texas, Robert C. Reedy, P.G., and Bridget R. Scanlon, P.G., Bureau of Economic Geology Jackson School of Geosciences, University of Texas at Austin, August 2018, Prepared for the Texas Commission on Environmental Quality.

The City's Community Center/City Hall is the de facto hub of Austwell. This is where residents can pay bills, talk to the Mayor, and rent or borrow the use of the facility for recreation or general purposes. During our visit, there was a steady stream of residents in and out of the Community Center.

There are no businesses in Austwell. Residents generally travel to nearby Tivoli (6 miles), or as far away as Port Lavaca (27 miles), Rockport (33 miles), or Victoria (39 miles). Because there are no businesses in Austwell, and there are limited options in Tivoli, access to fresh foods and common grocery items is limited. "It's easy to be overweight here...especially when you're poor. You have lots of access to cheap calories."

The lack of businesses means there is no sales tax contributing to the City's revenue. In fact, revenue is limited to property taxes, water bills, and fees associated with renting the community center and City Park.

There are no full-time doctors or nurses in Austwell or Tivoli but there is a once per week health clinic in Tivoli. Austwell does not have a school. Tivoli, which is unincorporated, is home to the local elementary and high school. Approximately 25 school age children currently live in Austwell.

Austwell has a lot of seasonal residents. According to the 2010 Census, 36 of the 55 vacant housing units were for seasonal use. The Mayor described some tension between the full-time and seasonal residents, especially after Hurricane Harvey. This is exemplified by discontent with a seasonal resident who built a new home on stilts as a means of protecting themselves from flood waters.

Mayor Canales believes there are opportunities to provide rental housing to workers that are commuting to Dow Chemical/Union Carbide in Seadrift (15.5 miles) and Formosa Plastics Corporation in Point Comfort (34 miles). She believes there are lots of people that drive up from Corpus Christi (which is 63 miles from Austwell) to these jobs. If this is true, then workers that live in Corpus Christi are commuting 72 miles to Dow Chemical/Union Carbide and over 90 miles to Formosa Plastics. She thinks this rental strategy might work because she is aware that the rental market in Tivoli and Bloomington is currently housing some of these workers where in some cases garage apartments are renting for as much as \$1,000 per month. Please note, we were unable to confirm such rents, but we did identify an RV for rent in Bloomington for \$500/month, a three-bedroom home for \$1,150/month, and several RV and cabin rentals starting around \$170/month.

There is a little-used RV park on the western edge of town that is owned by the City. The RV Park has full electric, water, and waste hook-ups. The RV Park has no advertising or marketing budget and is thus hardly used. The mayor believes the park could be used for temporary

housing for construction workers in Seadrift, Port Lavaca, Port Comfort and Port O'Conner, or even full-time workers at the nearby chemical, oil/gas, and plastics plants.

The RV Park resides in the same area as the city park and the post office. The city park was donated to the City on the condition that it remains a park in perpetuity. The city park does not get used often but the Mayor believes building a basketball court and maintaining the baseball diamonds would increase the use of the park.

Hurricane Harvey destroyed a popular pier in Austwell. Refugio County owns the land the pier was on. After the pier was destroyed, the County removed the only portable toilet from the park by the pier. There does not appear to be any historic pier usage data, but the Mayor believes the rebuilding of the pier could prove to be a catalytic project. In addition to a reconstructed pier, the Mayor would like to see park benches and picnic tables, and a fish cleaning table in the areas near the water and the pier. She envisions folks coming down on weekends to fish and picnic, while food trucks set up shop for the day to service the crowd.

The Mayor thinks there might be a need for some form of age-restricted housing such as independent and assisted living. We pointed out that while there may be people that could indeed benefit from this type of housing, there are likely not enough age-qualified people in the area to garner developer interest. In fact, current population estimates indicate there are around 35 people living in Austwell that are age 65 or older.

The quality of the utility infrastructure is mixed. Cellular phone coverage appears to be decent. Anecdotally, we were able to send and receive phone calls in addition to connecting a laptop to the cellular data network.

Electricity is available throughout, although in places such as the park, it would need to be brought down from the pole. The City's 30,000-gallon water tank needs a new safety cage. The City's current water usage level is between 15,000 and 20,000 gallons per day.

Their sewage permit is for 60,000 discharges per day which is more than adequate for their current daily discharge levels which are running between 10,000 and 15,000 per day. They need a new gauge for the ground storage tank as well as new manhole covers. They also need a new backup generator for the sewage and water pump. Following Hurricane Harvey, the City requested a new generator, but they were denied because of the volume of similar requests.

Lift stations are uncovered. Every time they receive three or more inches of rain, the water infiltrates the sewage system, and everything stops working because they also do not have a backup generator.

## Visit with the Town of Bayside

During the afternoon of Wednesday, November 14, we met with Mayor Sharon Scott of the Town of Bayside. Bayside bore the full brunt of Hurricane Harvey as the eye of the storm passed directly overhead. Mayor Scott told us that Hurricane Harvey had damaged 95 percent of the town's homes. At the time of the 2010 Census, there were 325 residents. Just prior to the storm the count was down to 296. The total population today is less than that, but it is unclear what the exact number is.

The Town currently has 186 active water accounts, 15 to 20 of which are believed to be seasonal. Some people are paying for water even though they cannot live in their home. The 2010 Census counted 253 housing units. Hurricane Harvey destroyed at least 40 of these, while between 60 and 70 are uninhabitable – this puts the total, habitable housing unit estimate closer to 150. The Mayor estimates that 60 to 70 percent of the homes were uninsured when Hurricane Harvey hit.



Most residents in the Town of Bayside are either self-employed or do odd jobs like mowing yards or harvesting crabs. Prior to the storm, the Town did have three businesses; a sandwich shop was destroyed (and is not coming back) while the other two businesses are a nursery and a convenience store which has the only functioning gasoline pumps in town. Please note, during our visit we observed the convenience store was doing a brisk business both at the gas pump and within the store. We personally stopped at the store several times. The Mayor has been told the convenience store would like to expand but is waiting on approval from FEMA.

Bayside is within the Woodsboro Independent School District which means the school is approximately 20 minutes away. The Mayor estimates there are 15 school-age children in Bayside.

There are two privately owned RV parks in Bayside. They accommodate seasonal and vacationing users as well as temporary worker housing uses.

Infrastructure is perhaps the Town's greatest need for long-term stability and/or growth. The Town's well has the capacity to serve 500 homes, but the entire water system needs improvements. They do not have a wellhead protection plan and because they only have a single well, if something goes wrong, like a spill or the well runs dry, they're in trouble. The water and sewage pipes are exposed in many places and are therefore vulnerable to damage via debris flows during flood events.

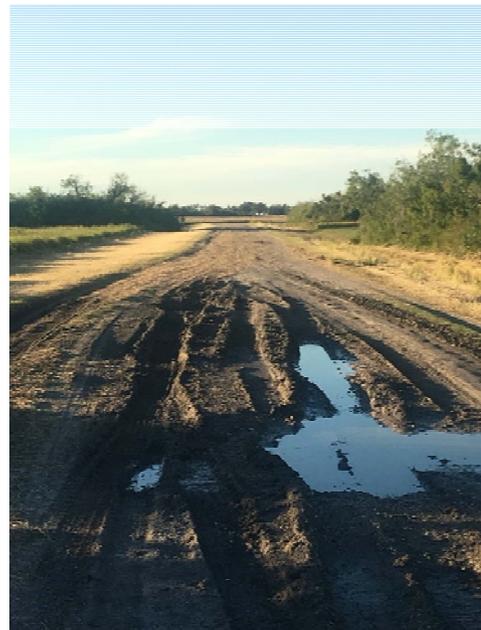
The area by the highway (Texas 136) is one of the areas that could likely support several businesses, but the water is not currently extended out to the highway. Like Austwell, Bayside needs a permanent generator for the sewage lift stations.

The most obvious need are the Town's streets – they're in terrible shape. You cannot safely operate a motorized vehicle at speeds greater than ten miles per hour. The streets are uneven at best and contain potholes or are missing entire sections at worst. The Mayor stated, "no one seems willing to buy lots until the streets are improved." In other words, you can't expect people to invest in the community until they see tangible evidence that the community is investing in itself.

Land management is another significant issue facing Bayside – approximately 70 percent of the physical area of the Town is comprised of empty lots. Several decades ago, ownership of single lots within Bayside was tied to the sale of five-acre tracts just outside of town. If you purchased one of these five-acre tracts, you were awarded one of these single lots. This is a major problem for several reasons. For many of these property owners, there is no motivation or incentive to maintain the small lots. Bayside has filed liens on several of these properties due to lack of upkeep, but they are currently stalled in court. Texas law does have a provision called "Adverse Possession," in which anyone may place a fence around an empty lot and maintain the property. After five years of maintaining the property, you may claim the property for yourself.

Bayside does have tangible assets in the form of a pier and its associated waterfront park, but the park needs upgrades like lighting both within the park and on the pier. Hurricane Harvey created several "washouts" in the areas closest to the water and as a result, tractors cannot get down there to mow and maintain the area. This means there is no water access other than the pier.

Bayside owns a boat ramp on its southern side, but the ramp is currently not functional.



“There are a lot of great things we could do,” said the Mayor. “We just don’t have the money.” Lack of money – not lack of vision – really is the problem. At the time of our meeting, Bayside had not yet received any money from FEMA, although they have approved stop sign replacements. General Land Office (GLO) funds could be used to fix the streets, but at this point Bayside has not received any guidance or money. The roads are beyond repair. They need to be completely replaced. Our rough estimate is there are between 11 and 12 miles of streets that need replaced.

Mayor Scott told us that she gets a lot of inquiries for rental properties, but they estimate only six to ten percent of Bayside’s homes are rentals. This is consistent with the 2010 Census in which 19 homes were counted as rentals (7.5 percent of all housing units) and 2018 estimates in which 23 homes are rental (9.1 percent).

This spring, the Mayor expects a permanent food truck to set up shop near the park and she is hopeful that eventually it will convert to a permanent “brick and mortar” business within five years. Only time will tell.

#### Visit with the Town of Refugio

During the morning of Thursday, November 15, we met with Mayor Wanda Dukes of the Town of Refugio. She estimates that 70 percent of the town’s structures were damaged in some way. She does not know how many residents were displaced as a result of Hurricane Harvey. She estimates Refugio lost 245 households but eventually gained another 206, some of which were displaced Bayside residents.



The Town has three subsidized multifamily housing projects. Among those projects, there are 48 subsidized units under repair. Not all projects are entirely subsidized. The Mission Oaks Apartments on Swift Street are the result of Low-Income Housing Tax Credits (LIHTC). As of this writing, we do not have a list of the County’s tax delinquent properties but based on our conversation, we suspect there are many.

We estimate there 750 single-family homes functioning as rental properties. After Hurricane Harvey, good data is hard to come by, but this estimate indicates there has been a significant increase in the number of single-family home rentals since the 2010 Census when the rental

housing unit count was a total of 391 (includes all types of rental housing units) or 35.5 percent of occupied housing units.

LNV Inc. (engineering) has the most accurate assessment of the condition of all housing units. In addition, GrantWorks may have an idea of how many buildings need to be demolished. The Town itself has no idea.

The Town has several assets including the local Refugio Independent School District. The School started renovating its three buildings prior to the hurricane and that work continues, albeit behind schedule. The local school system is one of the Town's largest employers and school athletics are often the focal point of activity during the school year. Like many Texas towns, football is the primary source of entertainment in the fall.

Approximately 35 percent of the population age 18+ have a high school diploma or equivalent as their highest level of educational attainment. Conversely, approximately 19 percent have attained an Associate, Bachelor's, or Graduate/Professional degree according to 2018 estimates.

Refugio has three city parks that vary in size and quality. The largest park – Heritage Park – contains several baseball diamonds that receive a lot of use.



There is currently one RV Park with 15 slots. There are plans for a new expansion to this RV Park as part of a partnership with the Rebuild Texas Fund – a non-profit funding organization whose intent is to work with communities for up to three years after the storm. The new addition is supposed to be more upscale with amenities such as a shower and dog park. The dog park would be for the use of the entire community, not just the residents of the RV Park. The new addition to the RV Park is slated to go to bid soon and could be online as early as late summer, 2019.

Like many Texas towns, Refugio's fortunes are closely tied to the boom and bust cycles of the oil and gas industry. The industry is the one of the larger employers in the region but it's the businesses that are indirectly impacted (auto repair, food service, local retail, etc.) that bears

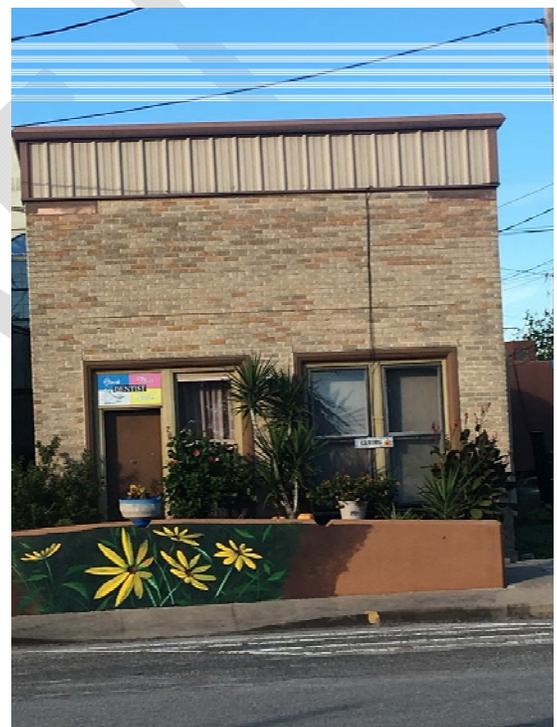
the brunt of these bust cycles when they come. Other large employers in Refugio are the hospital and Refugio County itself.

According to Mayor Dukes, “everyone that wants to work, is working.” Many of the jobs are in the service sector. Anecdotally, we are told the hotels and motels are having a hard time finding people to work. “There are people, but they don’t seem willing to work (for the prevailing wages).”

We are told each business in town is owned by separate owners, which can make negotiating for property improvements or sales, extremely difficult. Mayor Dukes told us about a couple of business owners whose properties were heavily damaged and are no longer in business. Refugio would like to see the properties either demolished, improved, or sold, but the property owners are unwilling to do so.

There is currently one pharmacy and one grocery store in town. There used to be more options before the hurricane. The grocery store – HEB – is smaller than most grocery stores, even for a small town. Mayor Dukes estimates that 50 percent of Refugio’s residents utilize this HEB location as their primary grocery store. Refugio County does provide transportation services to the elderly and those without their own cars, to and from places like the grocery and hospital.

There are scant few dining and entertainment options throughout the Town. We are told a seafood restaurant called “The Gumbo” is the only place to go for “fun.” This is despite a historic downtown district that is ripe with “old Texas” character in charm. While this district may contain a lot of character, what it lacks is businesses that take advantage of it. There is no signage or branding associated with Refugio’s downtown.



All healthcare is administered at the Refugio County Memorial Hospital. Some of the better wages in the County are associated with jobs at the hospital. However, it has been difficult keeping doctors at the clinic. There is a general lack of better housing options for hospital employees. As such, employees generally live 30 to 60 minutes away and commute daily to work.

Perhaps Refugio’s most pressing issue is the overall lack of quality affordable and market rate housing. Homes with price points between \$100,000 and \$200,000 are considered very expensive and out of reach for most people. The home availability and affordability problem is

cyclical and institutional. Prospective homeowners have a hard time getting qualified (by a lending institution) to buy a home due to income qualifications and/or the lack of a solid credit history. There are currently three banks and one credit union in Refugio.

There is no design review process in Refugio or any zoning for that matter. As such, there are no restrictions on things such as hazardous materials. In theory, you could open a dry-cleaning business anywhere in town, including within a primarily residential neighborhood. The only apparent development restrictions are associated with building within a flood plain, which is disallowed unless they meet the flood zone provisions.

When we asked Mayor Dukes about the challenges facing her constituents, she said she mostly hears complaints about the water rates. Although the Town recently closed a public pool due to high costs and low usage, the residents have expressed an interest in the increasingly popular “splash pads.”

Refugio’s infrastructure is of varying quality. There are drainage issues associated with the industrial uses in the northwest portion of the Town and the new housing in the southeast quadrant. Refugio’s wastewater treatment facility (originally built in 1930) has a capacity of 0.5 million gallons. The sewage system has five lift stations but according to the Mayor, the sewage system needs a lot of repairs. Water service is Refugio’s primary source of revenue, followed by sales taxes. They currently have a water treatment plant that has not been operational since the hurricane, so in theory, this excess capacity could be sold. Refugio’s solid waste management is performed by Republic because it is more cost effective to outsource this responsibility, than to handle it in-house.

The concrete streets of Refugio are original and date back to the 1930’s. Many, if not most of these streets need repair or wholesale replacement.

#### Visit with the Town of Woodsboro

During the afternoon of Thursday, November 15, we met with Mayor Kay Roach of the Town of Woodsboro. She estimates that prior to the hurricane, there were 800 households in Woodsboro and after the storm there are now around 750 households. We should note, the 2010 Census placed the household count at 564. Recent construction of new single-family homes has taken place outside the city limits where the home owners pay a water tap fee, but the property itself is not annexed into the Town of Woodsboro.



Property owners who incurred damage as a result of the hurricane are having trouble finding help because many did not have the property in their name and/or had no homeowners insurance.

There are no multifamily housing options in Woodsboro. According to the 2010 Census, there were 157 single family homes being utilized as rental properties (28 percent of occupied-housing units). Estimates for 2018 put that number at 178, but the hurricane most certainly affected this market. The rental stock is described as being of poor quality and substandard. There is a privately-owned RV park in Woodsboro that was originally set up for hurricane volunteers. The owner has been buying RV's and renting them – effectively functioning as a multifamily rental project.

Like many Texas cities and towns, Woodsboro has no zoning, but the Mayor wants to change that. In the fall of 2018, the Mayor unveiled a plan to apply zoning to encourage commercial activity along the Town's two primary corridors – U.S. 77 to the west and Wood Avenue (including the town square) which runs slightly northwest to southeast through the center of Woodsboro. The proposed zoning was met unfavorably by many residents, but the idea is well thought-out and warranted in our opinion.



Woodsboro has a traditional town square which is actually located on the western side of town, less than 1,000 feet from U.S. 77. According to the Mayor, there are about three property owners around the entire square. Please note, when we examined the parcel data for the County, we identified 12 property owners in addition to the Town

itself, who hold property that fronts the town square. Some of those properties are held by LLC's whose ownership is not immediately known. The Mayor has indicated there may be some willingness among these property owners to sell or invest (improve) their properties.

The Woodsboro Independent School District is geographically quite large, and serves communities as far away as Bayside, and is the home district to over 400 school-age children.

The schools recently constructed multipurpose “domes” which are capable of withstanding winds up to 200 miles per hour.

Although the recent school construction may be capable of withstanding the next hurricane, much of Town of Woodsboro is not. Jose De Leon – construction services manager for LNV Inc. – believes the potential for wind damage is high throughout Woodsboro because they do not have a code enforcement officer. In fact, the Town employs just ten full-time staff, including police officers.

The Town’s infrastructure, like most of Refugio County, needs upgrades and repairs. According to Mayor Roach, “the roads are bad ...water filtration is an issue ...there is nothing on the north side of town that allows water to flow (during heavy rain events) ...and the wastewater plant is on private property through a handshake agreement.” Mr. De Leon stated that land acquisition will be key for wastewater management in the future. Unlike Austwell and Bayside, Woodsboro does have a wellhead protection program.

There are several old gas stations with tanks still in the ground. These will need to be removed before any new development can take place on these properties.

There are around 30 businesses, including two small grocery stores, operating within Woodsboro – over half of which are service businesses. Similar to Refugio, Woodsboro will be affected by the proposed U.S. 77 bypass. Unlike Refugio however, the existing route is already on the outskirts of town. The primary threat to existing businesses along U.S. 77 is that instead of slowing and controlling traffic where the businesses reside, the bypass would provide a single exit which traffic would have to utilize to access the businesses and the Town itself.

### ***What you should pay attention to***

Every community has issues, concerns, challenges and other impacts that are certainly known, understood and are typically being addressed. With rare exceptions, most communities do not utilize a “bury your head in the sand” management approach that totally ignores key areas needing focused attention. What does sometimes happen though, is that tougher decisions or issues of greatest impact can often get stuck in a cauldron of indecision and avoidance, where a constant reshuffling of priorities occurs that conveniently keeps the cauldron bubbling.

The good news is that the challenges we have observed in Refugio County are certainly not insurmountable nor are they unique to your community. The bad news is that a good number of these challenges are cemented in a lack of sufficient resources to adequately address them. Nonetheless, we have listed the topics we believe are most impactful to the County and that the community should focus their efforts to improve:

1. Infrastructure/utilities. One of the worst kept secrets among the folks we interacted with is the community's challenge of having inadequate infrastructure. This primarily includes water, sanitary sewer, and storm water. The issues that impact future development include: the size of lines, having enough water pressure (flow, duration and the consistency of both), capacity of sanitary treatment, quality of water, back-up generation for emergency, and a host of others.
2. Code Enforcement. Often residents – and some community leaders – consider code enforcement as a property rights issue which causes them to err on treading lightly when it comes to enforcing compliance. In reality, Code Enforcement affects health and safety, protecting and increasing property values, quality of life, economic development, crime and safety, and a host of many other areas.

In Refugio County our observations indicated that without a focused and strategic approach to handling code enforcement of properties with the area, the community could be headed down a path that will negatively impact its ability to attract new investment and that could add to a diminished quality of life for the people that live, work and travel through the area. The old saying that you only get one chance to make a lasting impression should be a guiding principle in addressing Code Enforcement.

The issue is important to BOTH the County and the individual communities we visited.

The Center for Community Progress, a national nonprofit specifically dedicated to addressing vacant, abandoned, and deteriorated properties is a resource for urban, suburban, and rural communities seeking to address the full cycle of property revitalization.

Their perspective of Code Enforcement recognizes the negative economic, social, psychological and environmental impacts that vacant, abandoned, and deteriorated properties have on neighborhoods and the people living in them.

To be more specific, the Center for Community Progress describes Code Enforcement as a critical element in fighting neighborhood decline, preserving sound neighborhoods and restoring distressed areas. They see code enforcement officers as the “first responders” to vacant and foreclosed homes and the policy value that code enforcement can offer in protecting neighborhoods and stabilizing property conditions.

They point out that “when used proactively, code enforcement can help local governments identify, halt and reverse the negative impact of vacant, abandoned and problem properties.”<sup>6</sup>

3. *Lack of Adequate Public Finances.* Certainly there are very few communities that have adequate funding to keep up with the rising demands of providing services to the public. Shared costs are a vital tool for leveraging low budgets. Financial cooperation on mutually-beneficial projects will allow both the individual communities and the County to reap the benefits of the improvements without strapping either entity for cash or debt service capacities. You hear so often that a rising tide floats all boats, but as you know from experience, flooding doesn’t discriminate.
4. *Complacency.* During several of our interviews it was interesting to note that in numerous discussions and/or meetings, a general sense that for a lot of residents the status quo is just fine. Points raised about folks being ok with the substandard, an unwillingness to go above the necessary to get help, people don’t like to share personal info that is needed to help (whether with banks, FEMA, etc.), a sense of pride of not wanting to let folks know they may need help and even flat out laziness were descriptors used to describe this sense of complacency. From a positive standpoint, there are committed elected and appointed officials and a group of residents and business owners who can help lead the community and take on these challenges.
5. *Coordinated Planning.* Our take on planning is quite frankly to do it – whatever form it may take – and to follow it. There are a multitude of planning types and efforts that can benefit a community. While we do believe that there are numerous planning efforts emerging in Refugio County, someone needs to make sure that the activities and actual documents are coordinated and consistent. There are numerous types of planning studies that can be done and each may focus on certain elements. To help better understand how to connect them, and identify what planning gaps may be occurring, the following are a few examples of general types and definitions of planning efforts that may be relevant to Refugio County:
  - a. Master Plan or Land Use Plan – A master or land-use plan is a dynamic long-term planning document that provides a ***conceptual layout*** to guide future growth and development. Master planning is about making the connection between buildings, social settings, and their surrounding environments. A master plan includes

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<sup>6</sup> Center for Community Progress, <https://www.communityprogress.net/strategic-code-enforcement-pages-204.php>

analysis, recommendations, and proposals for a site's population, economy, housing, transportation, community facilities, and land use. It is based on public input, surveys, planning initiatives, existing development, physical characteristics, and social and economic conditions.

- b. Comprehensive Planning – Comprehensive planning is a process that determines community goals and aspirations in terms of community development. The result is typically called a comprehensive plan and may both **express and regulate** public policies on transportation, utilities, land use, recreation, and housing. Comprehensive plans typically encompass large geographical areas, a broad range of topics, and cover a long-term time horizon.
  - c. Area or Corridor Plan – This type of plan typically focuses on a particular area and provides concepts and general guides to indicate potential development options. Plans are schematic only, and the actual mix of land uses, locations and configurations of buildings, parking areas, streets and access points are determined through a community's typical public review process for individual development proposals. Properties retain all existing rights.
  - d. Comprehensive Economic Development Strategy (CEDS) – a CEDS is a strategy-driven plan for regional economic development that can serve as a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration. The CEDS provides the capacity-building foundation by which the public sector, working in conjunction with other economic actors (individuals, firms, industries), creates the environment for regional economic prosperity.
6. *Be Cautious of Blinders*. Every community has social challenges that impact the day to day activities of every resident and visitor to the area. Refugio County and the communities are no exception. Issues surrounding quality of the local schools, graduation rates, unemployment levels, skill sets and training available for adults (and those without high school diplomas), wage rates, recidivism of local offenders, drug abuse and sales, are all prevalent in Refugio **but not at alarming levels**. This is the time to make sure that all blinders are pulled off and that serious efforts are made to acknowledge and stay on top off the issues above that have the potential for quickest decline – education, job growth and drug abuse.

As an example of our caution with viewing challenges with blinders, when in our meetings we asked the community if there were concerns with drug abuse (and opiates in

particular) there was very little acknowledgement of this being an issue. Later in one of the public focus groups when asked the same question, however, representatives from the hospital acknowledged that there has been a rise of drug use and it may be creeping into the community more than what has been acknowledged. While the good news is that The National Institute of Drug Abuse notes that although there were 1,375 opioid-related overdose deaths in Texas, the rate of 4.9 deaths per 100,000 persons is considerably less than the national rate of 13.3 deaths per 100,000 persons, the number of heroin-related deaths has more than doubled (from 260 to 530 deaths).<sup>7</sup>

While we certainly are not alarmists, we want to make sure that what may not seem like as much of an issue today can turn into a larger issue in the future (and harder to improve) if we do not address them or at least continue to monitor them today.

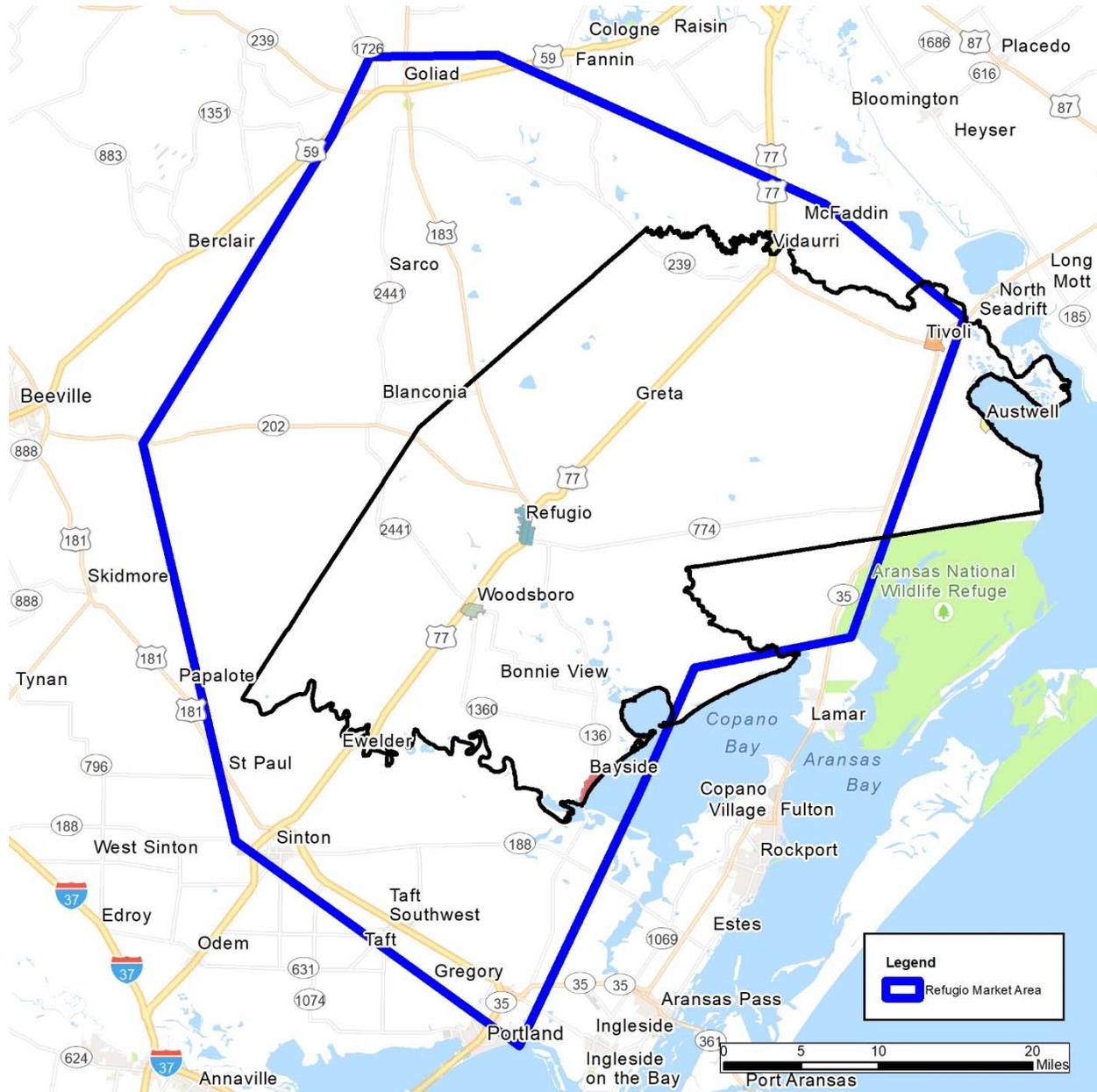
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<sup>7</sup> <https://www.drugabuse.gov/drugs-abuse/opioids/opioid-summaries-by-state/texas-opioid-summary>

# 3. Housing Market Studies

## Refugio Housing Market Analysis



Map 09 – Town of Refugio Housing Market Area

The Housing Market Area for the Town of Refugio contains the majority of Refugio County as well as portions of Aransas, San Patricio, Bee, Goliad, and Victoria Counties. This size and

extent of the Market Area reflects the area’s relatively high commute times and commuting patterns, proximity to employment centers, and access to primary road networks. It extends as far south as Gregory and Sinton and as far north as Goliad. The market area extends as far as 30 miles from Refugio to the south, north and east.

	Population	Households
2000 Census	28,026	9,379
2010 Census	26,370	9,289
Change 2000-2010	-1,656	-90
Percent Change 2000-2010	-5.9%	-1.0%
2018 Estimated	28,216	9,897
Change 2010-2018	1,846	608
Percent Change 2010-2018	7.0%	6.5%
2023 Projected	29,039	10,174
Change 2018-2023	823	277
Percent Change 2018-2023	2.9%	2.8%

Table 03 – Total Population and Households in Refugio Housing Market Area

The population decreased six percent from 2000 to 2010 while the number of households only decreased one percent. This can be explained by a couple of phenomena – deaths and individual household members (usually young adults) moving out of the household. These numbers have rebounded as of late. In fact, the population is now nearly identical to 2000 levels and the number of households exceeds the 2000 levels by over 500 households. This means the recent trend has been towards smaller household sizes – a trend that corresponds with the disparity between population and household decline from 2000 to 2010. As we look into the future to 2023, the market expects to see a slight increase in both population and households. Based on their anticipated size (~ 3.0 persons per household), these will likely be young families and older households.

	Population	Households
2010 Census	4,011	2,610
2018 Estimated	5,011	3,144
Change 2010-2018	1,000	534
Percent Change 2010-2018	24.9%	20.5%
2023 Projected	5,843	3,581
Change 2018-2023	832	437
Percent Change 2018-2023	16.6%	13.9%

Table 04 – Population and Households Age 65+ in Refugio Housing Market Area

There has been a dramatic increase in the number of people and households age 65 or greater since 2010. Further, the population and household growth of older households are approximately five times that of the growth of the overall population growth for this time period. Should these projections hold up, there will be demand for housing to accommodate this older population.

	Percentage with ADL's	2018 Population	Population with ADL's
45 TO 64	2.2%	7,216	159
65 TO 69	4.1%	1,671	69
70 TO 74	4.1%	1,297	53
75 TO 84	9.6%	1,468	141
85 & OVER	22.9%	575	132
TOTAL		12,227	554

Table 05 – Population with Difficulty Performing the Activities of Daily Living (ADL)

Within the entirety of the Refugio Housing Market Area, 9.8 percent of the population has difficulty performing the Activities of Daily Living (ADL). This population generally requires in-home health care assistance, modified living arrangements, and/or assisted or nursing care facilities. Over 40 percent of the population age 65 or older is estimated to have ADL difficulties. When you take this in consideration with the expected population increase in this age cohort by 2023, we would expect at least 40 percent of these new households to require some form of living assistance.

## Housing Market for Under Age 65

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	79	91	66	51	54	341
\$10,000-20,000	96	111	81	63	66	416
\$20,000-30,000	65	80	58	45	47	297
\$30,000-40,000	61	75	55	42	44	277
\$40,000-50,000	59	73	53	41	43	270
\$50,000-60,000	43	54	39	30	32	198
\$60,000-75,000	53	66	48	37	39	244
\$75,000-100,000	42	52	38	30	31	193
\$100,000-125,000	21	27	20	15	16	99
\$125,000-150,000	13	16	12	9	9	58
\$150,000-200,000	7	9	7	5	5	33
\$200,000+	4	5	4	3	3	20
TOTAL	544	660	481	372	389	2,446

Table 06 – 2018 Renter Households Under Age 65 by Income by Household Size

The number of renter households under age 65 with household incomes of \$30,000 or less account for 43 percent of all renter households in this age cohort. This means the maximum monthly rent required to avoid being rent cost overburdened is \$750 for a household earning \$30,000, and even less when the households earn less than \$30,000.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	0	0	0	1	4	5
\$10,000-20,000	-9	-11	-8	-5	-2	-33
\$20,000-30,000	-7	-13	-9	-6	-4	-40
\$30,000-40,000	3	-1	-1	0	3	4
\$40,000-50,000	5	1	1	2	4	13
\$50,000-60,000	2	-1	-1	0	2	2
\$60,000-75,000	3	-1	-1	0	3	4
\$75,000-100,000	0	-4	-3	-2	0	-9
\$100,000-125,000	1	-2	-1	-1	0	-3

\$125,000-150,000	2	1	1	1	2	7
\$150,000-200,000	3	3	2	2	2	12
\$200,000+	2	2	1	1	1	7
TOTAL	5	-25	-18	-7	15	-30

Table 07 – Change in Renter Households Under Age 65 by Income by Household Size (2018-2023)

There is projected to be an overall decline in renter households under age 65. The greatest declines are expected in households earning less than \$30,000 where a decline of 85 households is expected. However, renter households earning more than \$30,000 per year should see an increase of around 38 households. In theory, these households should be able to qualify more market-rate apartments or single-family rentals.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	33	93	37	27	27	217
\$10,000-20,000	53	148	59	44	43	346
\$20,000-30,000	53	158	62	46	45	365
\$30,000-40,000	52	158	62	46	45	364
\$40,000-50,000	50	157	62	46	45	361
\$50,000-60,000	56	178	70	52	51	409
\$60,000-75,000	68	214	85	63	62	492
\$75,000-100,000	91	295	116	87	85	673
\$100,000-125,000	56	190	75	56	55	432
\$125,000-150,000	34	111	44	33	32	254
\$150,000-200,000	33	107	42	31	31	244
\$200,000+	21	67	26	20	19	152
TOTAL	600	1,877	741	551	540	4,309

Table 08 - 2018 Owner Households Under Age 65 by Income by Household Size

Owner households are more evenly distributed than renter households across all the income cohorts. Just 21 percent of owner households under age 65 have household incomes below \$30,000. To avoid being housing cost burdened, a household earning approximately \$35,000 annually would need to incur a monthly payment (that includes principal and interest, insurance, and property tax) less than \$875. This equates to a home cost of approximately \$150,000 – assuming a 20 percent down payment of \$30,000, a 30-year mortgage, and an

interest rate of 4.5 percent). There are approximately 3,300 owner households under age 65 that meet these criteria today.

It's worth noting the number of owner households with four or more people. Approximately 25 percent of this market consists of these larger households.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	-4	-4	-2	-1	-1	-12
\$10,000-20,000	-2	10	3	3	4	17
\$20,000-30,000	-5	4	1	1	2	3
\$30,000-40,000	-4	5	1	1	2	6
\$40,000-50,000	-5	2	0	0	1	0
\$50,000-60,000	-9	-13	-5	-4	-3	-34
\$60,000-75,000	-14	-27	-11	-8	-7	-67
\$75,000-100,000	-12	-12	-5	-4	-2	-34
\$100,000-125,000	-7	-6	-3	-2	-1	-18
\$125,000-150,000	1	13	5	3	4	26
\$150,000-200,000	-4	-6	-3	-2	-1	-16
\$200,000+	-2	-2	-1	-1	0	-7
TOTAL	-68	-36	-19	-13	-1	-137

Table 09 – Change in Owner Households Under Age 65 by Income by Household Size (2018-2023)

There are expected to be some noticeable declines in owner households under the age of 65 in the coming years. Most of the declines are expected to be among those households earning between \$50,000 and \$125,000 per year. The greatest gains are expected among those households earning between \$10,000 and \$40,000. These prospective homeowners will likely be absorbed by the existing housing stock with values less than \$60,000, assuming they can come up with the down payment. It is more likely these households assume ownership of a property via a property transfer from a family member.

*Housing Market for Age 65 and Older*

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	55	14	10	8	8	96
\$10,000-20,000	91	23	17	13	13	157
\$20,000-30,000	38	10	7	5	6	65
\$30,000-40,000	31	8	6	5	5	54
\$40,000-50,000	20	5	4	3	3	36
\$50,000-60,000	10	3	2	2	2	19

\$60,000-75,000	16	4	3	2	3	28
\$75,000-100,000	8	2	1	1	1	13
\$100,000-125,000	3	1	1	1	1	6
\$125,000-150,000	2	1	0	0	0	4
\$150,000-200,000	1	0	0	0	0	2
\$200,000+	1	0	0	0	0	1
TOTAL	277	71	52	40	42	483

Table 10 – 2018 Renter Households Over Age 65 by Income by Household Size

Over 57 percent of renter households over the age of 65 are one-person households and two-thirds of those households have incomes less than \$30,000. Since we know that the overwhelming majority of the rental housing stock is single-family homes, this seems to indicate a market inefficiency. In other words, these single person households are likely in homes that exceed their size needs. That means there is unmet market demand today for new, age-restricted, affordable rental housing for single person households.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	6	3	2	2	3	17
\$10,000-20,000	-14	-1	-1	0	0	-16
\$20,000-30,000	-11	-2	-1	-1	-1	-16
\$30,000-40,000	-3	0	0	0	0	-3
\$40,000-50,000	-2	0	0	0	0	-1
\$50,000-60,000	-1	0	0	0	0	-1
\$60,000-75,000	2	1	1	1	1	5
\$75,000-100,000	0	0	0	0	0	0
\$100,000-125,000	0	0	0	0	0	0
\$125,000-150,000	0	0	0	0	0	1
\$150,000-200,000	1	0	0	0	0	1
\$200,000+	0	0	0	0	0	1
TOTAL	-22	2	1	2	5	-13

Table 11 – Change in Renter Households Over Age 65 by Income by Household Size (2018-2023)

If current trends hold, we expect a decrease in the renter households age 65 and older, for the next several years. Part of that expectation is due to the lack of available and appropriate (think assisted living and nursing care) housing stock. The greatest declines are expected

among single person households and low-income households earning between \$10,000 and \$30,000. It's worth noting that the greatest increase is among the households earning \$10,000 or less. These households will require some form of rental assistance.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	77	71	28	21	20	217
\$10,000-20,000	179	159	63	47	46	493
\$20,000-30,000	149	134	53	39	39	415
\$30,000-40,000	108	105	41	31	30	315
\$40,000-50,000	74	75	29	22	21	221
\$50,000-60,000	63	63	25	19	18	187
\$60,000-75,000	87	87	34	25	25	258
\$75,000-100,000	77	74	29	22	21	224
\$100,000-125,000	41	46	18	13	13	131
\$125,000-150,000	26	29	12	9	8	84
\$150,000-200,000	26	27	11	8	8	79
\$200,000+	11	13	5	4	4	38
TOTAL	918	882	348	259	254	2,660

Table 12 – 2018 Owner Households Over Age 65 by Income by Household Size

Owner households over the age of 65 are dominated by one- and two-person households. In fact, these households account for almost 68 percent of the market. The incomes are fairly evenly distributed but still tend to be lower (as you would expect). Most of these homeowners have likely been in their homes for several decades.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	22	20	8	6	6	62
\$10,000-20,000	48	42	16	12	13	131
\$20,000-30,000	12	19	7	5	6	49
\$30,000-40,000	11	15	5	4	5	40
\$40,000-50,000	3	5	2	1	2	12
\$50,000-60,000	-1	1	0	0	1	1
\$60,000-75,000	13	16	6	5	5	44

\$75,000-100,000	13	13	5	4	4	39
\$100,000-125,000	4	7	3	2	2	17
\$125,000-150,000	9	11	4	3	3	31
\$150,000-200,000	5	6	2	2	2	18
\$200,000+	2	4	2	1	1	10
TOTAL	139	159	60	45	51	455

Table 13 – Change in Owner Households Over Age 65 by Income by Household Size (2018-2023)

Virtually every cohort in this market is expected to increase within the next several years. This data reflects the market trends which reflect the lack of both affordable and market-rate rental housing stock. Since over 65 percent of this market consists of one- and two-person households, the absorption of these households into the existing housing stock would likely result in a market inefficiency because the house size would exceed their needs. Further, there will be additional costs if the prospective owners require any special accommodations. This further exemplifies the need for age-restricted affordable and market-rate rental housing.

### *Housing Characteristics*

	Owner		Renter	
2015 OR LATER	82	1.2%	291	11.7%
2010 - 2014	1,131	17.0%	1,312	52.6%
2000 - 2009	2,062	31.0%	603	24.2%
1990 - 1999	1,265	19.0%	113	4.5%
1980 - 1989	965	14.5%	61	2.4%
1979 & EARLIER	1,139	17.1%	115	4.6%
TOTAL	6,644	100.0%	2,495	100.0%

Table 14 – Tenure by Year Moved Into

It's not uncommon to see homeowners that have lived in their homes for several decades; therefore, this market is very normal in that respect. However, it is quite unusual to see renter move-in dates that go back ten years or more. In this market, over 88 percent of renters moved in prior to 2015. This is a sign of a severely restricted market. These renters are lacking flexibility primarily due to the lack of supply.

Renter Year Built									
	2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
Number	0	56	319	289	246	625	806	156	2,497
Percent	0.0%	2.2%	12.8%	11.6%	9.9%	25.0%	32.3%	6.2%	100.0%

Owner Year Built									
	2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
Number	16	140	919	516	725	1,160	2,003	1,165	6,644
Percent	0.2%	2.1%	13.8%	7.8%	10.9%	17.5%	30.1%	17.5%	100.0%

Table 15 – Year Built

Both the owner-occupied and renter-occupied housing stock is quite old in this market. Older housing is not itself problematic. However, during our site visit we observed a significant amount of deferred maintenance – either due to the hurricane or otherwise – which has likely increased the effective age of the housing by a decade or more.

Approximately 73 percent of rental housing was built prior to 1990. Due to its often intense use, rental housing is already predisposed to accelerated depreciation. Most rental property managers advise painting and carpet replacement at regular intervals. When rental housing is old and the turnover rate is low (as evidenced by the Tenure by Year Moved Into data), it is likely the housing has become substandard.

Due to the lack of multifamily rental units, the owner- and renter-occupied housing is often indistinguishable. Owner- and renter-occupied housing built prior to 1950 accounts for over 14 percent of the housing stock. Again, due to deferred maintenance and hurricane damage, much of this housing is now beyond repair and should be demolished. Removing over 1,300 housing units from the market would be extremely disruptive without a pipeline of new supply. Since natural population and household growth is expected to be relatively low, the majority of future demand for both affordable and market-rate housing will be as a result of removing substandard units from the market.

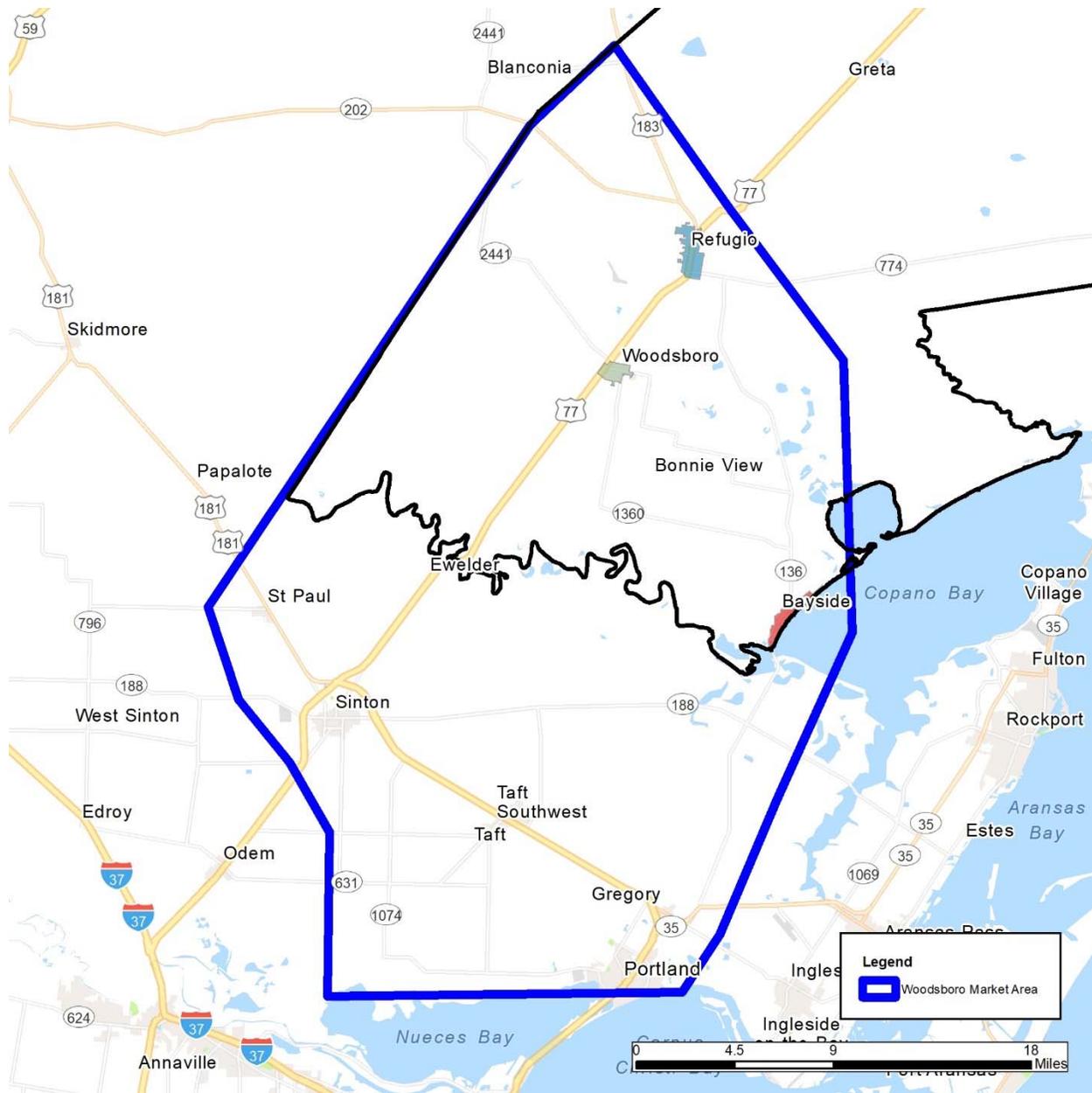
		Overburdened				Severely Overburdened			
		Renter		Owner		Renter		Owner	
Number	%	Number	%	Number	%	Number	%	Number	%
802	32.1%	932	14.0%	324	13.0%	241	3.6%		

Table 16 – Housing Cost Overburdened

A household is considered to be cost overburdened if their monthly housing costs (rent or mortgage plus taxes and insurance) exceeds 30 percent of monthly income. A household that is severely overburdened has housing costs that exceed 50 percent of their income. In this market, over 45 percent of renters are paying at least 30 percent of their pre-tax income towards rent. In addition to representing an obvious hardship for these households, this is also a local economy problem. After housing costs, most households spend the bulk of their remaining income on food and transportation. The money that is left over is often spent locally. This is especially true for lower income households. If there is not much money left after these three expenses are accounted for, the local economy suffers. This is a strong argument for the construction of more affordable housing units.

DRAFT

# Woodsboro Housing Market Analysis



Map 10 – Town of Woodsboro Housing Market Area

The Housing Market Area for the Town of Woodsboro contains the southern half of Refugio County as well as a portion of San Patricio County and a small slither of Aransas County. The size and extent of the market area reflects Woodsboro’s proximity to jobs in Refugio, Sinton, Gregory and Portland, as well as access to major highways. It extends as far south as Portland

and as far north as Refugio. The market area extends as far as 30 miles from Woodsboro to the south and 14 miles to the north, just past Refugio.

	Population	Households
2000 Census	37,170	12,365
2010 Census	36,049	12,572
Change 2000-2010	-1,121	207
Percent Change 2000-2010	-3.0%	1.7%
2018 Estimated	38,536	13,420
Change 2010-2018	2,487	848
Percent Change 2010-2018	6.9%	6.7%
2023 Projected	40,088	13,965
Change 2018-2023	1,552	545
Percent Change 2018-2023	4.0%	4.1%

Table 17 – Total Population and Households in Woodsboro Housing Market Area

The population decreased three percent from 2000 to 2010 while the number of households increased by almost two percent. This can be explained by a couple of phenomena – deaths and individual household members (usually young adults) moving out of the household. Both total population and total households have increased since 2010 by almost seven percent. A similar growth rate is expected for the next several years. Current population and household totals are now above the year 2000 levels.

	Population	Households
2010 Census	4,823	3,083
2018 Estimated	6,059	3,717
Change 2010-2018	1,236	634
Percent Change 2010-2018	25.6%	20.6%
2023 Projected	7,125	4,269
Change 2018-2023	1,066	552
Percent Change 2018-2023	17.6%	14.9%

Table 18 – Population and Households Age 65+ in Woodsboro Housing Market Area

### Housing Market for Under Age 65

There has been a dramatic increase in the number of people and households age 65 or greater since 2010. Further, the population and household growth of older households are approximately more than three times that of the growth of the overall population for this time period. Growth for the next several years should be strong as well. Most of the new households will be two-person households. Should these projections hold up, there will be demand for housing to accommodate this older population.

	Percentage with ADL's	2018 Population	Population with ADL's
45 TO 64	2.2%	9,620	212
65 TO 69	4.1%	2,086	86
70 TO 74	4.1%	1,524	62
75 TO 84	9.6%	1,751	168
85 & OVER	22.9%	698	160
TOTAL		15,679	688

Table 19 – Population with Difficulty Performing the Activities of Daily Living (ADL)

Within the entirety of the Refugio County, 9.8 percent of the population has difficulty performing the Activities of Daily Living (ADL). This population generally requires in-home health care assistance, modified living arrangements, and/or assisted or nursing care facilities. Over 40 percent of the population age 65 or older is estimated to have ADL difficulties. When you take this in consideration with the expected population increase in this age cohort by 2023, we would expect at least 40 percent of these new households to require some form of living assistance.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	99	107	78	60	63	407
\$10,000-20,000	126	138	100	78	81	523
\$20,000-30,000	95	111	81	63	66	416
\$30,000-40,000	97	113	83	64	67	424
\$40,000-50,000	99	117	85	66	69	436
\$50,000-60,000	76	90	65	51	53	334
\$60,000-75,000	94	110	80	62	65	409

\$75,000-100,000	79	94	68	53	55	350
\$100,000-125,000	40	48	35	27	28	178
\$125,000-150,000	24	28	21	16	17	105
\$150,000-200,000	18	21	15	12	12	78
\$200,000+	11	12	9	7	7	45
TOTAL	857	988	720	557	583	3,706

Table 20 – 2018 Renter Households Under Age 65 by Income by Household Size

Renter households under age 65 have incomes that are evenly distributed across the various income and household size cohorts. The data indicates that there is a market for both affordable and market-rate housing of various sizes. Unlike the Refugio market, the Woodsboro market area includes Portland, Texas, where there are currently a mix of 240 market-rate and affordable housing units available as of this writing.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	-1	1	1	2	6	9
\$10,000-20,000	-9	-9	-7	-4	0	-29
\$20,000-30,000	-5	-12	-9	-6	-2	-34
\$30,000-40,000	8	2	2	3	7	21
\$40,000-50,000	13	6	5	5	10	39
\$50,000-60,000	9	4	3	3	7	27
\$60,000-75,000	10	4	3	4	8	29
\$75,000-100,000	1	-6	-4	-2	1	-10
\$100,000-125,000	1	-2	-2	-1	1	-2
\$125,000-150,000	4	3	2	2	3	14
\$150,000-200,000	8	7	5	4	5	29
\$200,000+	4	4	3	3	3	18
TOTAL	43	3	3	13	48	110

Table 21 – Change in Renter Households Under Age 65 by Income by Household Size (2018-2023)

There is projected to be a net increase of 110 renter households under age 65. The declines among the lower-income cohort \$10,000 to \$30,000 will be more than offset by gains among the higher income cohorts. It's worth noting that the largest gains with respect to household size are on opposite ends of the spectrum – 1-person and 5+ people households.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	35	90	36	26	26	213
\$10,000-20,000	58	151	60	44	44	357
\$20,000-30,000	63	181	71	53	52	420
\$30,000-40,000	67	197	78	58	57	455
\$40,000-50,000	69	210	83	62	60	485
\$50,000-60,000	81	246	97	72	71	566
\$60,000-75,000	98	293	116	86	84	678
\$75,000-100,000	143	438	173	129	126	1,008
\$100,000-125,000	89	287	113	84	82	656
\$125,000-150,000	53	167	66	49	48	383
\$150,000-200,000	67	214	85	63	62	491
\$200,000+	43	124	49	37	36	289
TOTAL	866	2,598	1,026	763	747	6,000

Table 22 - 2018 Owner Households Under Age 65 by Income by Household Size

Owner households are more evenly distributed than renter households across all the income cohorts. Just 16.5 percent of owner households under age 65 have household incomes below \$30,000. To avoid being housing cost burdened, a household earning approximately \$35,000 annually would need to incur a monthly payment (that includes principal and interest, insurance, and property tax) less than \$875. This equates to a home cost of approximately \$150,000 – assuming a 20 percent down payment of \$30,000, a 30-year mortgage, and an interest rate of 4.5 percent). There are approximately 4,750 owner households under age 65, which meet these criteria today.

It's worth noting the number of owner households with four or more people. Approximately 25 percent of this market consists of these larger households.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	-4	-3	-1	-1	0	-9
\$10,000-20,000	0	16	6	4	5	31
\$20,000-30,000	-4	10	3	3	4	16
\$30,000-40,000	-4	8	3	2	3	12
\$40,000-50,000	-3	11	4	3	4	18
\$50,000-60,000	-8	-2	-1	-1	1	-11
\$60,000-75,000	-17	-23	-10	-7	-5	-62
\$75,000-100,000	-18	-20	-9	-6	-3	-57
\$100,000-125,000	-12	-11	-5	-4	-2	-34
\$125,000-150,000	0	14	5	4	5	27
\$150,000-200,000	-9	-13	-6	-4	-3	-35
\$200,000+	-5	-5	-2	-2	-1	-15
TOTAL	-83	-19	-14	-9	8	-118

Table 23 – Change in Owner Households Under Age 65 by Income by Household Size (2018-2023)

There are expected to be some noticeable declines in owner households under the age of 65 in the coming years. Most of the declines are expected to be among those households earning between \$50,000 and \$125,000 per year. The greatest gains are expected among those households earning between \$10,000 and \$40,000. These prospective homeowners will likely be absorbed by the existing housing stock with values less than \$60,000, assuming they can come up with the down payment. It is more likely these households assume ownership of a property via a property transfer from a family member.

### *Housing Market for Age 65 and Older*

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	63	15	11	9	9	107
\$10,000-20,000	107	25	18	14	15	180
\$20,000-30,000	47	11	8	6	7	79
\$30,000-40,000	39	9	7	5	6	67
\$40,000-50,000	27	7	5	4	4	45
\$50,000-60,000	16	4	3	2	2	27
\$60,000-75,000	24	6	4	3	4	42

\$75,000-100,000	12	3	2	2	2	21
\$100,000-125,000	5	1	1	1	1	9
\$125,000-150,000	4	1	1	1	1	6
\$150,000-200,000	2	1	0	0	0	4
\$200,000+	1	0	0	0	0	2
TOTAL	348	84	61	47	49	589

Table 24 – 2018 Renter Households Over Age 65 by Income by Household Size

Approximately 59 percent of renter households over the age of 65 are one-person households and nearly two-thirds of those households have incomes less than \$30,000. Since we know that most of the rental housing stock is single-family homes in this market, this seems to indicate a market inefficiency. In other words, these single person households are likely in homes that exceed their size needs. That means there is unmet market demand today for new, age-restricted, affordable rental housing for single person households.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	6	3	3	2	3	17
\$10,000-20,000	-17	-1	-1	0	0	-20
\$20,000-30,000	-9	-1	-1	0	0	-12
\$30,000-40,000	-1	1	1	1	1	3
\$40,000-50,000	-2	0	0	0	1	0
\$50,000-60,000	-1	0	0	0	0	0
\$60,000-75,000	3	2	1	1	1	9
\$75,000-100,000	0	0	0	0	0	0
\$100,000-125,000	0	0	0	0	0	0
\$125,000-150,000	1	0	0	0	0	2
\$150,000-200,000	1	0	0	0	0	2
\$200,000+	1	0	0	0	0	2
TOTAL	-20	6	4	4	8	2

Table 25 – Change in Renter Households Over Age 65 by Income by Household Size (2018-2023)

If current trends hold, we expect a very slight increase in the renter households age 65 and older, for the next several years. The greatest decline is expected to occur among single person households and is likely to due to death. The rest of the cohorts are expected to incur slight

gains. Some of this can be explained by owner households moving into age-restricted rental units of which there are a few around the Portland area.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	76	66	26	19	19	206
\$10,000-20,000	184	154	61	45	44	488
\$20,000-30,000	171	143	56	42	41	453
\$30,000-40,000	135	118	47	35	34	369
\$40,000-50,000	96	87	34	25	25	267
\$50,000-60,000	87	81	32	24	23	248
\$60,000-75,000	119	112	44	33	32	339
\$75,000-100,000	107	102	40	30	29	309
\$100,000-125,000	55	58	23	17	17	169
\$125,000-150,000	35	37	15	11	11	108
\$150,000-200,000	38	37	15	11	11	110
\$200,000+	19	21	8	6	6	61
TOTAL	1,122	1,014	401	298	292	3,127

Table 26 – 2018 Owner Households Over Age 65 by Income by Household Size

Owner households over the age of 65 are dominated by one- and two-person households. In fact, these households account for almost 68 percent of the market. The incomes are evenly distributed but still tend to be lower (as you would expect). Most of these homeowners have likely been in their homes for several decades.

	1 person	2 people	3 people	4 people	5+ people	Total
\$0-10,000	19	17	6	5	5	52
\$10,000-20,000	44	37	14	11	12	117
\$20,000-30,000	32	28	11	8	9	88
\$30,000-40,000	18	24	9	7	8	65
\$40,000-50,000	4	5	2	1	2	14
\$50,000-60,000	-2	1	0	0	1	0
\$60,000-75,000	17	20	7	6	6	56
\$75,000-100,000	16	17	7	5	6	51

\$100,000-125,000	6	9	3	3	3	24
\$125,000-150,000	11	14	5	4	4	39
\$150,000-200,000	8	9	3	2	3	25
\$200,000+	5	7	3	2	2	18
TOTAL	180	187	71	53	60	550

Table 27 – Change in Owner Households Over Age 65 by Income by Household Size (2018-2023)

Virtually every cohort in this market is expected to increase within the next several years. This data reflects the market trends which reflect the lack of both affordable and market-rate rental housing stock. Since over 68 percent of this market consists of one- and two-person households, the absorption of these households into the existing housing stock would likely result in a market inefficiency because the house size would exceed their needs. Further, there will be additional costs if the prospective owners require any special accommodations. This further exemplifies the need for age-restricted affordable and market-rate rental housing.

#### *Housing Characteristics*

	Owner		Renter	
2015 OR LATER	160	1.9%	460	11.4%
2010 - 2014	1,576	18.4%	2,386	59.4%
2000 - 2009	2,741	32.0%	794	19.8%
1990 - 1999	1,569	18.3%	190	4.7%
1980 - 1989	1,162	13.6%	49	1.2%
1979 & EARLIER	1,358	15.9%	140	3.5%
TOTAL	8,566	100.0%	4,019	100.0%

Table 28 – Tenure by Year Moved Into

It's not uncommon to see homeowners that have lived in their homes for several decades; therefore, this market is very normal in that respect. However, it is quite unusual to see renter move-in dates that go back ten years or more. In this market, almost 89 percent of renters moved in prior to 2015. This is a sign of a severely restricted market. These renters are lacking flexibility primarily due to the lack of supply.

Renter Year Built									
	2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
Number	0	44	448	483	491	1,335	1,050	169	4,020
Percent	0.0%	1.1%	11.1%	12.0%	12.2%	33.2%	26.1%	4.2%	100.0%

Owner Year Built									
	2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
Number	55	121	1,148	547	1,217	1,801	2,559	1,116	8,564
Percent	0.6%	1.4%	13.4%	6.4%	14.2%	21.0%	29.9%	13.0%	100.0%

Table 29 – Year Built

Both the owner-occupied and renter-occupied housing stock is quite old in this market. Older housing is not itself problematic. However, during our site visit we observed a significant amount of deferred maintenance – either due to the hurricane or otherwise – which has likely increased the effective age of the housing by a decade or more.

Approximately 78 percent of rental housing was built prior to 1990. Due to its often intense use, rental housing is already predisposed to accelerated depreciation. Most rental property managers advise painting and carpet replacement at regular intervals. When rental housing is old and the turnover rate is low (as evidenced by the Tenure by Year Moved Into data), it is likely the housing has become substandard.

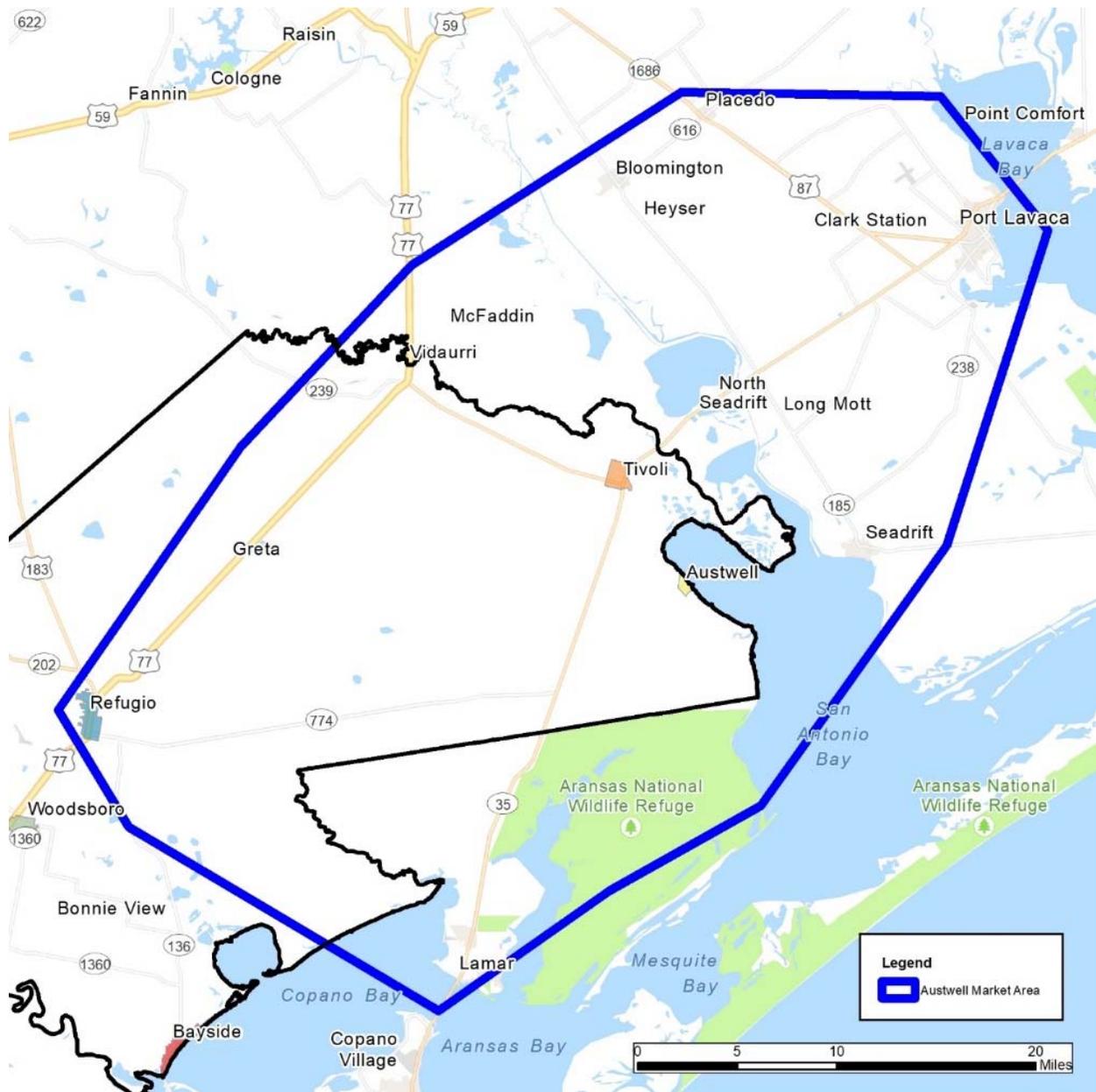
Due to the lack of multifamily rental units, the owner- and renter-occupied housing is often indistinguishable. Owner- and renter-occupied housing built prior to 1950 accounts for over 10 percent of the housing stock. Again, due to deferred maintenance and hurricane damage, much of this housing is now beyond repair and should be demolished. Removing almost 1,300 housing units from the market would be extremely disruptive without a pipeline of new supply. Since natural population and household growth is expected to be around four percent in the next four to five years, future demand for both affordable and market-rate housing could be exacerbated if too many substandard units are removed from the market without counterbalancing that with an influx of new supply. The demand is there but a thoughtful replacement/development strategy is imperative.

Overburdened				Severely Overburdened			
Renter		Owner		Renter		Owner	
Number	%	Number	%	Number	%	Number	%
1,528	38.0%	1,510	17.6%	553	13.8%	406	4.7%

Table 30 – Housing Cost Overburdened

A household is considered to be cost overburdened if their monthly housing costs (rent or mortgage plus taxes and insurance) exceeds 30 percent of monthly income. A household that is severely overburdened has housing costs that exceed 50 percent of their income. In this market, almost 42 percent of renters are paying at least 30 percent of their pre-tax income towards rent. In addition to representing an obvious hardship for these households, this is also a local economy problem. After housing costs, most households spend the bulk of their remaining income on food and transportation. The money that is left over is often spent locally. This is especially true for lower income households. If there is not much money left after these three expenses are accounted for, the local economy suffers. This is a strong argument for the construction of more affordable housing units.

# Austwell Housing Market Analysis



Map 11 – City of Austwell Primary Housing Market Area

The Housing Market Area for the City of Austwell contains the northeastern portion of Refugio County as well as portions of Aransas, Victoria and Calhoun Counties. The size and extent of the market area reflects Austwell’s proximity to jobs in Refugio and Port Lavaca, as well as access to major highways. It extends as far south as Lamar and as far north as Placedo. The market area extends as far as 30 miles from Austwell to the west and the Town of Refugio, and 25 miles to the northeast to Port Lavaca.

	Population	Households
2000 Census	26,359	9,256
2010 Census	26,357	9,327
Change 2000-2010	-2	71
Percent Change 2000-2010	0.0%	0.8%
2018 Estimated	27,824	9,742
Change 2010-2018	1,467	415
Percent Change 2010-2018	5.6%	4.4%
2023 Projected	28,708	10,017
Change 2018-2023	884	275
Percent Change 2018-2023	3.2%	2.8%

Table 31 – Total Population and Households in Austwell Housing Market Area

From 2000 to 2010, this area’s population and household totals remained virtually unchanged. Since then, there has been modest population growth of around 0.7 percent and this same trajectory is expected to continue for the next four to five years. The City of Austwell itself is very small. As of the 2010 Census, the City had a stated population of 147 people residing in 71 households. The Mayor of Austwell told us there are 125 active water meters but not all those homes are occupied. Although an exact count is unavailable, we believe the total population is somewhere between 120 and 140 people.

It is unrealistic to expect a place of this size would attract any significant real estate developer interest because of the absence of any critical mass. However, the Mayor believes there is an opportunity to attract workers from Corpus Christi that are commuting to jobs in Seadrift and Port Comfort. Austwell has a lot of seasonal residents as well that are attracted by the access to Hynes Bay and the overall serenity of the area. For these reasons, the target market for Austwell should be permanent and/or temporary workers from across the bay (Seadrift, Long Mott, Port Lavaca and Port Comfort) and seasonal residents that are looking for a getaway.

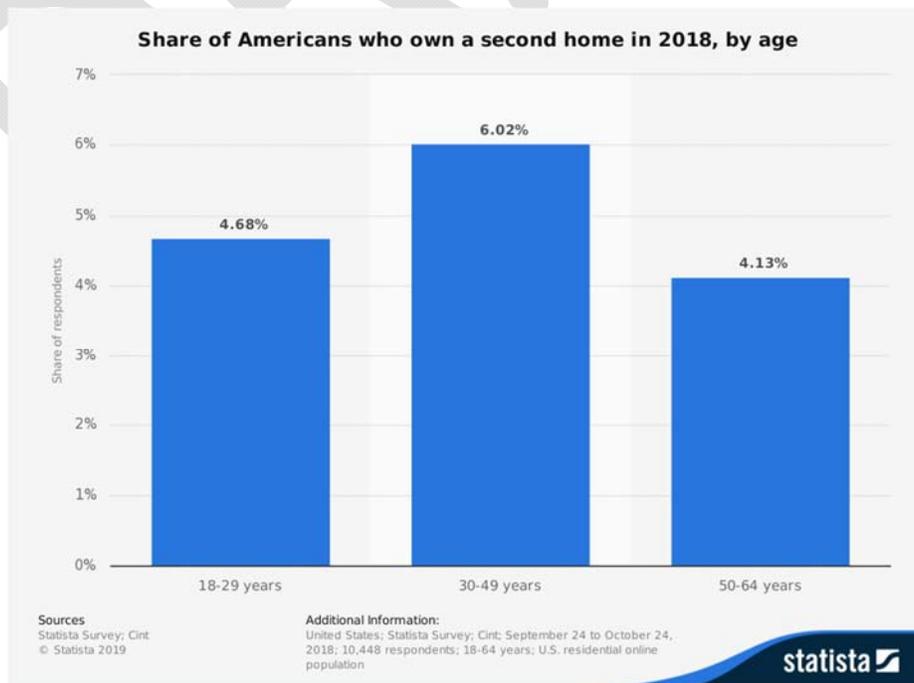
#### *Seasonal Market*

Households looking for a seasonal getaway cottage are likely already homeowners somewhere within or just beyond the market area. Beyond the simple desire to own a cottage in a small, quiet town such as Austwell, the household must have the means to buy or build such a place. One of the predictors of their ability to afford a second home is Net Worth.

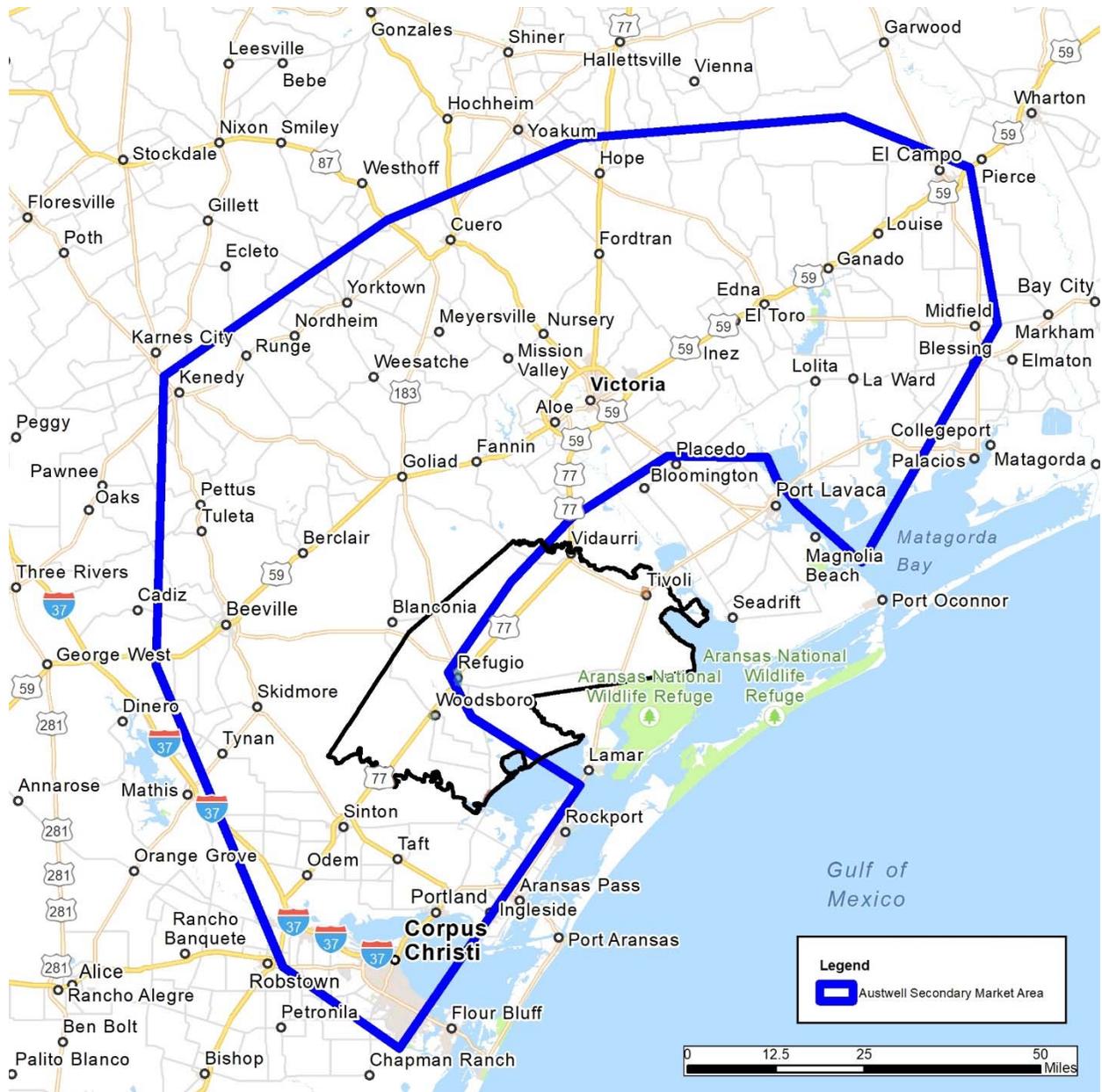
	AGE							Total
	<25	25-34	35-44	45-54	55-64	65-74	75+	
< \$15,000	218	726	569	500	406	266	123	2,808
\$15,000 - \$34,999	56	183	178	171	132	103	42	865
\$35,000 - \$49,999	19	62	77	79	100	65	22	424
\$50,000 - \$99,999	22	217	220	163	175	165	123	1,085
\$100,000 - \$149,999	12	84	121	157	179	130	88	771
\$150,000 - \$249,999	7	48	130	250	282	260	165	1,142
> \$250,000	3	60	146	413	688	650	686	2,646
TOTAL	337	1,380	1,441	1,733	1,962	1,639	1,249	9,741
MEDIAN NW	\$11,594	\$14,256	\$30,456	\$80,988	\$146,004	\$175,856	\$275,000	\$83,924
AVG NW	\$30,647	\$61,274	\$139,370	\$426,512	\$756,233	\$719,393	\$866,924	\$490,856

Table 32 – Net Worth by Age within the Austwell Primary Housing Market Area

According to the U.S. Department of Housing and Urban Development, approximately 53 percent of households that own a second home do so for recreational purposes. The National Association of Home Builders estimates that 5.6 percent of the existing housing stock consists of second homes. The primary age cohort for second home ownership is between the ages of 18 and 64.



There are 2,027 households in this market between the ages of 18 and 64 with an estimated net worth greater than \$150,000. This is the target household within the primary market area; however, second homes tend to be at least 50 miles away according to Trulia, primarily due to lending guidelines – but those are guidelines, not requirements; therefore, we established a secondary market area for the purpose of identifying the high net worth households that live between 30 and 70 miles away.



Map 12 – City of Austwell Secondary Housing Market Area

The Secondary Housing Market Area contains places as far as Corpus Christi, Beeville, Victoria and El Campo. At its furthest point it extends as far as 77 miles from Austwell to Kenedy.

	AGE							Total
	<25	25-34	35-44	45-54	55-64	65-74	75+	
< \$15,000	6,419	17,084	11,329	9,794	8,325	4,975	3,057	60,983
\$15,000 - \$34,999	983	4,200	3,415	2,996	2,514	1,852	877	16,837
\$35,000 - \$49,999	265	1,448	1,622	1,387	1,708	1,045	416	7,891
\$50,000 - \$99,999	407	3,660	4,306	3,027	3,109	2,734	2,370	19,613
\$100,000 - \$149,999	120	1,685	2,193	2,399	3,216	2,102	1,666	13,381
\$150,000 - \$249,999	59	1,277	2,613	3,732	4,301	4,065	2,712	18,759
\$250,000 & OVER	37	1,268	4,171	8,414	14,068	12,508	11,026	51,492
TOTAL	8,289	30,624	29,649	31,749	37,241	29,282	22,125	188,959
MEDIAN NW	\$9,686	\$13,443	\$35,592	\$72,566	\$144,960	\$187,860	\$248,114	\$70,420
AVG NW	\$21,649	\$61,023	\$192,907	\$510,256	\$884,959	\$829,002	\$885,856	\$533,444

Table 33 – Net Worth by Age within the Austwell Secondary Housing Market Area

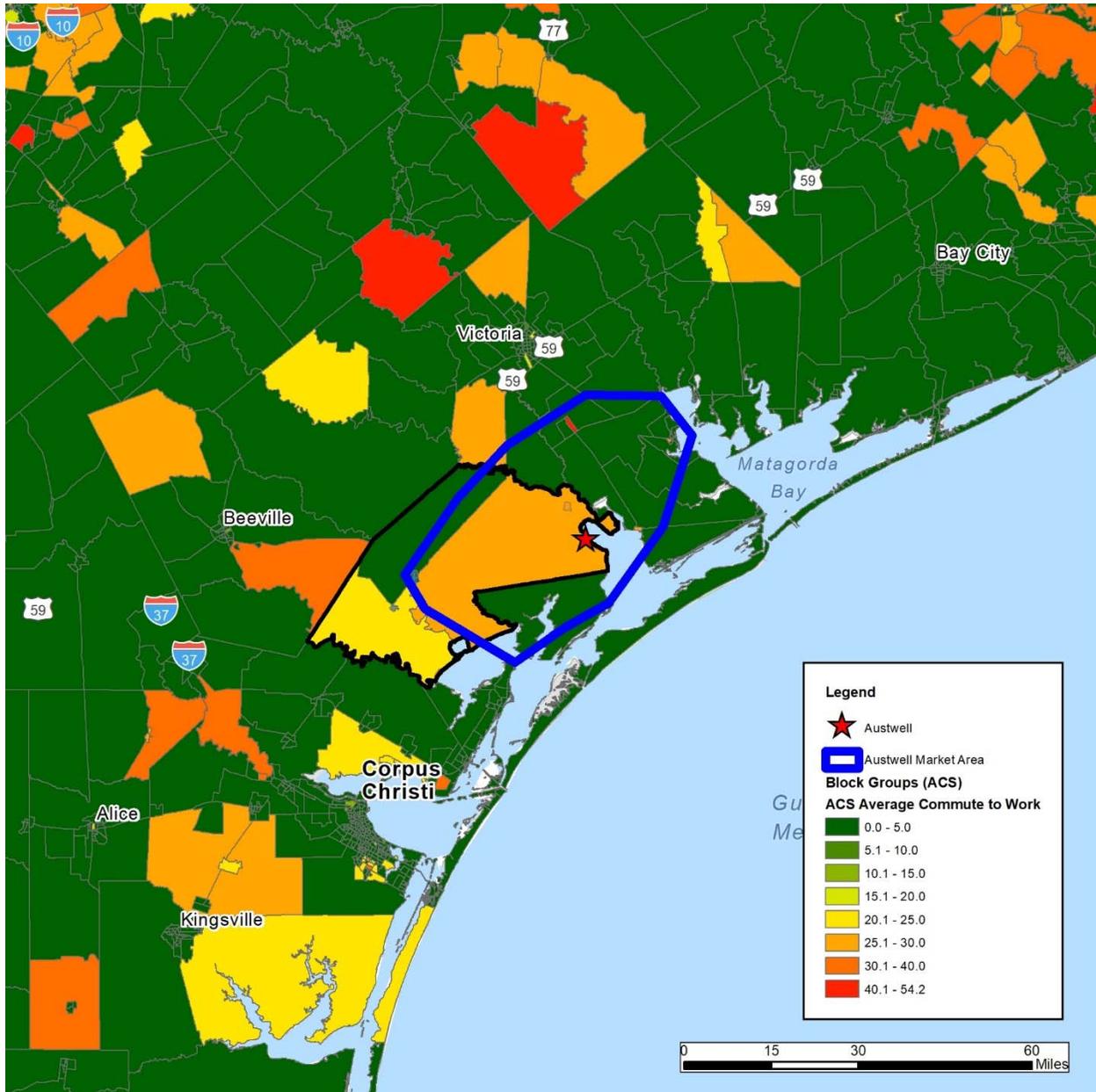
There are 39,940 households within the secondary market area between the ages of 18 and 64, with a net worth of at least \$150,000. According to survey data provided by Statistica: 4.7 percent of those age 18-29, 6.0 percent of those age 30 to 49, and 4.1 percent of those age 50 to 64, own a second home. If we apply these percentages to the total number of households in this secondary market area, we can estimate that approximately 7,000 households may own a second home. It is reasonable to expect those 7,000 households to come from the \$150,000+ net worth cohort.

	Spending Potential Index	Total Aggregate Spent
Owned Vacation Homes	77	\$73,910,809
Mortgage Payment	80	\$24,898,053
Property Taxes	76	\$20,161,372
Homeowners Insurance	90	\$3,829,395
Maintenance and Remodeling	73	\$20,990,105
Property Management and Security	77	\$4,031,885

Table 34 – Annual Vacation Home Expenditures



The preceding map illustrates where the daytime population is exceeding the full-time population, and by how much. Anytime we see ratio values that exceed one, which indicates an area where most of the workforce is commuting in from another area. This map indicates that the phenomenon is occurring both around Lavaca Bay and around Victoria.



Map 14 – Average Commute Time to Work

A closer examination of the average commuting time to work indicates that there are several areas scattered about the region where commuting times are excessive. Keep in mind, this is the average commute time.

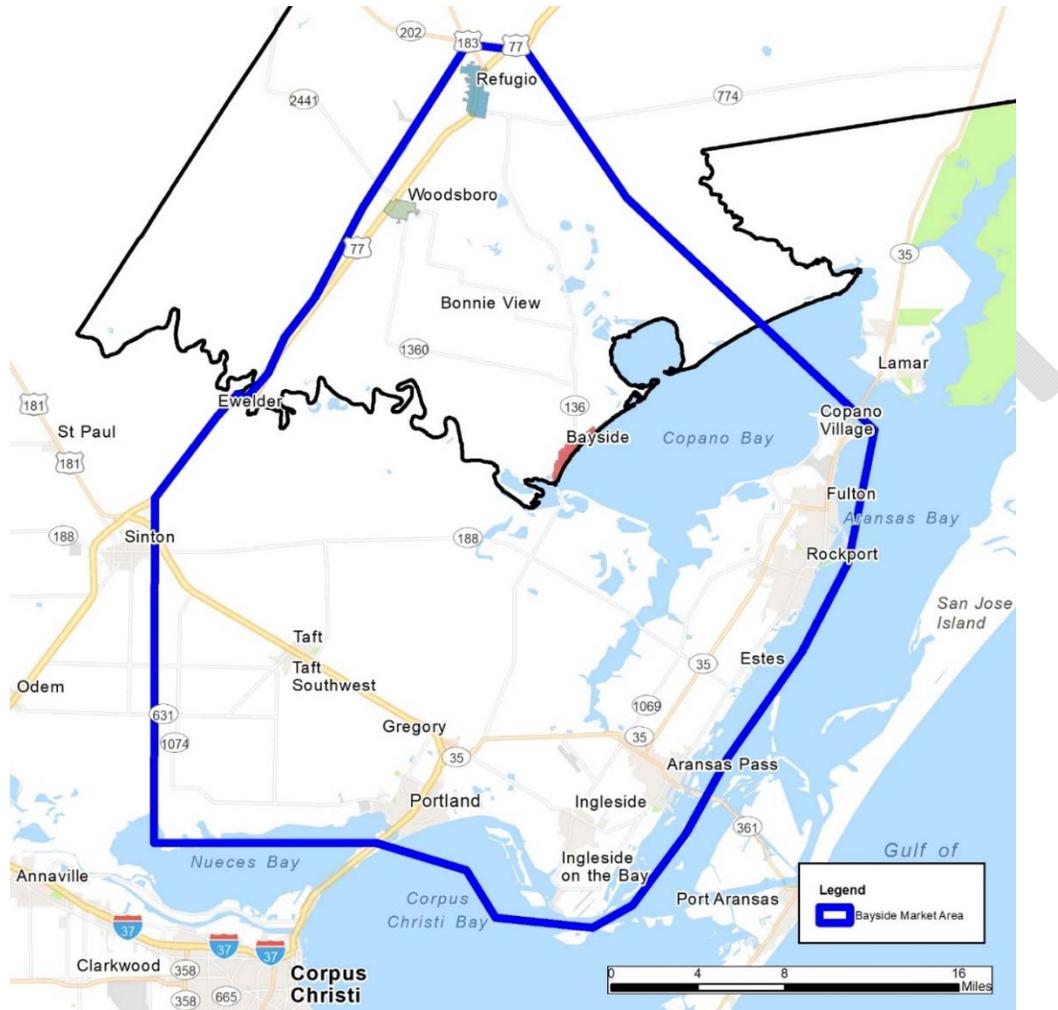
For comparison purposes, Austwell is approximately a 24-minute commute to Seadrift, 18 minutes to Long Mott, and 28 minutes to Port Lavaca. An existing worker's commute would need to exceed these commutes for Austwell to be considered an attractive alternative to their existing residence. For this reason, it would make sense to focus on the areas illustrated in oranges and reds as these are the areas where a good portion of the workforce is likely commuting over an hour in each direction.

#### *Austwell Housing Market Summary and Recommendations*

Due to its size, Austwell does not have the critical mass required to attract any significant housing development in the short- to mid-term. The primary opportunities for growth will be among seasonal residents and supplying housing opportunities to full- and part-time workers across the bay in the Long Mott, Seadrift and Port Lavaca areas. The current RV Park is underutilized. A concerted effort to market and maintain this park are the most obvious short-term strategies that the City can employ. As more permanent and temporary workers fill the RV Park, vendors such as food trucks will eventually take notice. Some of the existing housing stock can be fixed up and utilized as workforce housing as more FEMA funds become available.

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## Bayside Housing Market Analysis



Map 15 – Town of Bayside Primary Housing Market Area

The Housing Market Area for the Town of Bayside contains a southern portion of Refugio County as well as portions of Aransas and San Patricio Counties. The size and extent of the market area reflects Bayside’s proximity to jobs in Refugio, Gregory and Portland, as well as access to major highways. It extends as far south as Portland and Ingleside and as far north as

Refugio. The market area extends as far as 24 miles from Bayside to the southwest, and 19 miles to the north to Refugio.

	Population	Households
2000 Census	71,016	25,349
2010 Census	70,446	26,635
Change 2000-2010	-570	1,286
Percent Change 2000-2010	-0.8%	5.1%
2018 Estimated	78,284	29,734
Change 2010-2018	7,838	3,099
Percent Change 2010-2018	11.1%	11.6%
2023 Projected	83,284	31,704
Change 2018-2023	5,000	1,970
Percent Change 2018-2023	6.4%	6.6%

Table 35 – Total Population and Households in Bayside Housing Market Area

From 2000 to 2010, this area’s population declined slightly while the number of households increased by over five percent. This can be explained by a couple of phenomena – deaths and individual household members (usually young adults) moving out of the household. Since 2010, both population and household growth has been strong. The majority of this growth has been two-person households. Growth in this area is expected to be quite strong for the next four to five years. Although in terms of physical size, the Bayside Housing Market Area is the smallest of the four areas we examined, it is by far the largest in terms of population and households. In fact, it is almost twice the size of the next largest market area – Woodsboro. This is primarily due to the inclusion of the towns Ingleside, Aransas Pass and Rockport. Growth among these cities and towns on the coast and peninsula surrounded by Aransas Bay and Copano Bay is expected to be very healthy. Bayside is in a location that could benefit from this.

The Town of Bayside itself is very small. As of the 2010 Census, the Town had a stated population of 325 people residing in 146 households. The Mayor of Austwell told us there are 186 active water meters but not all those homes are occupied. Although an exact count is unavailable, we believe the total population is less than 290 people.

It is unrealistic to expect a place of this size would attract any significant real estate developer interest because of the absence of any critical mass. The Town’s infrastructure needs significant repairs including a wholesale replacement of the entire street network. Land

management is a big problem because of the preponderance of vacant lots. Approximately 70 percent of the physical area of the Town is comprised of empty lots.

Like Austwell, the opportunities for growth lie primarily with seasonal usage and housing for nearby full-time and/or temporary workers. However, the ability of the Town to support any growth of permanent housing (vs temporary RV lots) is entirely dependent on the Town’s ability to fix its infrastructure.

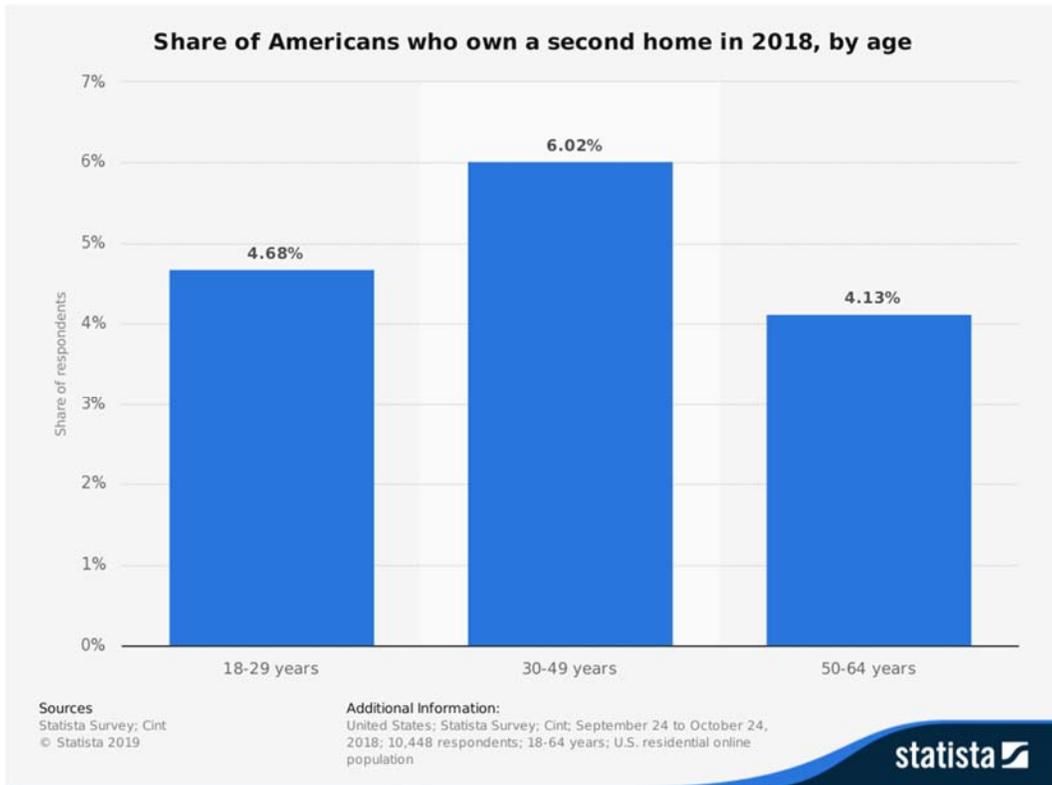
### *Seasonal Market*

Households looking for a seasonal getaway cottage are likely already homeowners somewhere within or just beyond the market area. Beyond the simple desire to own a cottage in a small, quiet town such as Bayside, the household must have the means to buy or build such a place. One of the predictors of their ability to afford a second home is Net Worth.

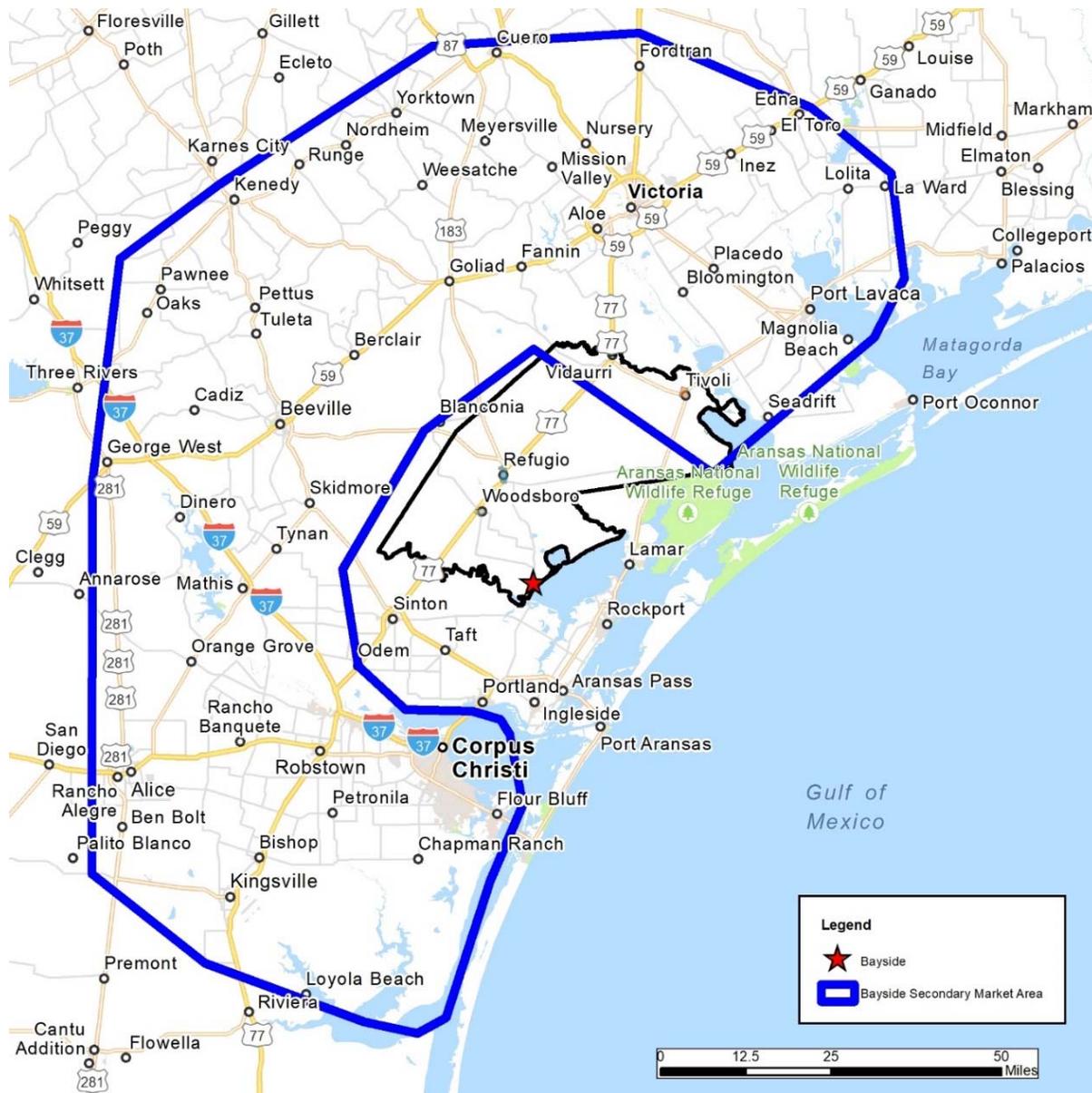
	AGE							Total
	<25	25-34	35-44	45-54	55-64	65-74	75+	
< \$15,000	624	1,843	1,342	1,268	1,173	763	373	7,386
\$15,000 - \$34,999	131	570	492	411	347	303	108	2,362
\$35,000 - \$49,999	58	202	234	212	268	166	56	1,196
\$50,000 - \$99,999	90	648	649	467	507	493	372	3,226
\$100,000 - \$149,999	24	281	377	413	536	437	264	2,332
\$150,000 - \$249,999	10	207	422	734	776	750	484	3,383
\$250,000 & OVER	12	231	611	1,384	2,566	2,678	2,367	9,849
TOTAL	949	3,982	4,127	4,889	6,173	5,590	4,024	29,734
MEDIAN NW	\$11,406	\$18,249	\$49,640	\$108,236	\$174,932	\$228,833	\$300,050	\$112,116
AVG NW	\$34,831	\$80,322	\$213,731	\$587,048	\$1,122,363	\$1,149,459	\$1,346,516	\$769,455

Table 36 – Net Worth by Age within the Bayside Primary Housing Market Area

According to the U.S. Department of Housing and Urban Development, approximately 53 percent of households that own a second home do so for recreational purposes. The National Association of Home Builders estimates that 5.6 percent of the existing housing stock consists of second homes. The primary age cohort for second home ownership is between the ages of 18 and 64.



There are 6,953 households in this market between the ages of 18 and 64 with an estimated net worth greater than \$150,000. This is the target household within the primary market area; however, second homes tend to be at least 50 miles away according to Trulia, primarily due to lending guidelines – but those are guidelines, not requirements; therefore, we established a secondary market area for the purpose of identifying the high net worth households that live between 30 and 70 miles away.



Map 16 – Town of Bayside Secondary Housing Market Area

The Secondary Housing Market Area contains places as far as Corpus Christi, Kingsville, George West, Kenedy, Victoria and Port Lavaca. At its furthest point it extends as far as 77 miles from Austwell to Cuero and Pawnee.

	AGE							Total
	<25	25-34	35-44	45-54	55-64	65-74	75+	
< \$15,000	8,526	21,175	13,825	11,945	10,202	6,087	3,591	75,351
\$15,000 - \$34,999	1,282	5,153	4,099	3,643	3,020	2,241	1,031	20,469
\$35,000 - \$49,999	339	1,771	1,912	1,650	2,098	1,289	483	9,542
\$50,000 - \$99,999	525	4,452	5,194	3,574	3,700	3,325	2,791	23,561
\$100,000 - \$149,999	175	2,079	2,673	2,870	3,834	2,521	1,922	16,074
\$150,000 - \$249,999	83	1,594	3,169	4,477	5,231	4,987	3,194	22,735
\$250,000 & OVER	55	1,535	5,093	10,077	16,353	14,549	12,621	60,283
TOTAL	10,985	37,760	35,966	38,235	44,438	34,998	25,633	228,015
MEDIAN NW	\$9,663	\$13,374	\$35,364	\$70,844	\$139,593	\$181,532	\$241,448	\$66,091
AVG NW	\$21,755	\$60,120	\$189,035	\$496,463	\$837,463	\$781,861	\$842,584	\$502,013

Table 37 – Net Worth by Age within the Bayside Secondary Housing Market Area

There are 47,667 households within the secondary market area between the ages of 18 and 64, with a net worth of at least \$150,000. According to survey data provided by Statistica: 4.7 percent of those age 18-29, 6.0 percent of those age 30 to 49, and 4.1 percent of those age 50 to 64, own a second home. If we apply these percentages to the total number of households in this secondary market area, we can estimate that approximately 8,500 households may own a second home. It is reasonable to expect those 8,500 households to come from the \$150,000+ net worth cohort.

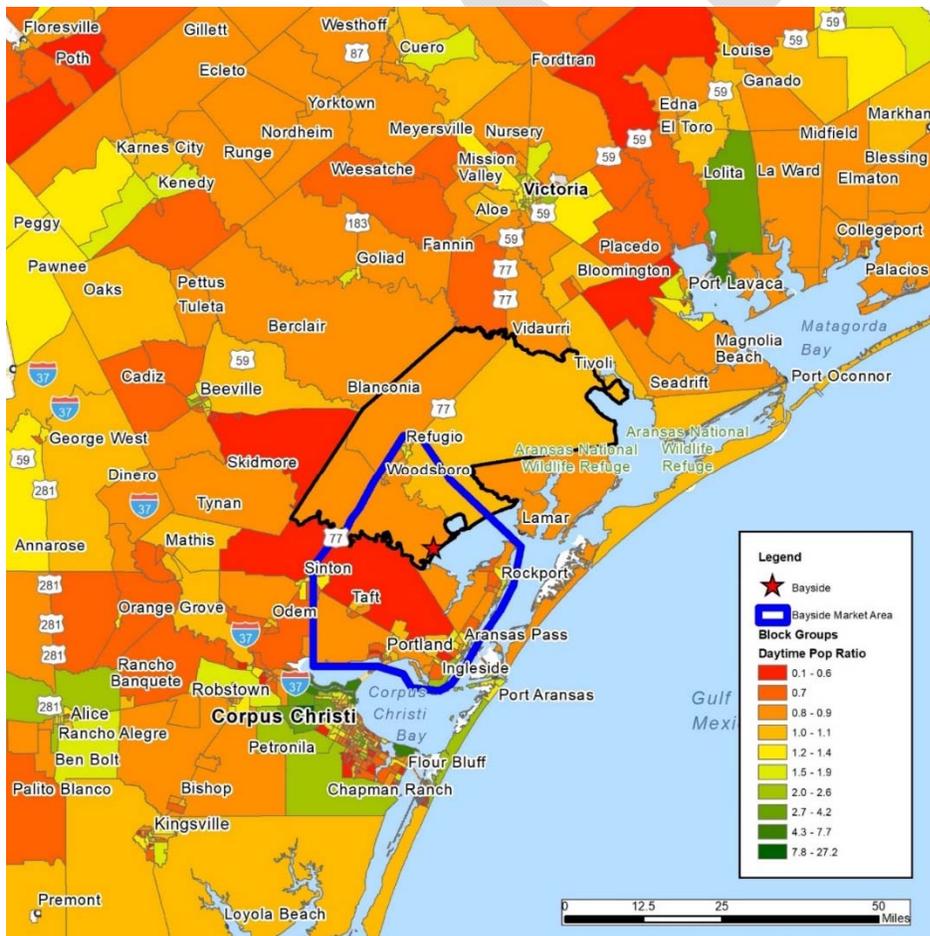
	Spending Potential Index	Total Aggregate Spent
Owned Vacation Homes	75	\$87,016,565
Mortgage Payment	79	\$29,504,540
Property Taxes	73	\$23,523,851
Homeowners Insurance	86	\$4,375,452
Maintenance and Remodeling	72	\$24,882,272
Property Management and Security	75	\$4,730,450

Table 38 – Annual Vacation Home Expenditures

The information in the preceding table lists the spending potential and the aggregate amount spent by households in the secondary market area, on vacation homes. The “Spending Potential Index” compares spending to the national average. A value of 100 represents the national average; therefore, a value below 100 indicates spending that is less than the national average and values above 100 represent spending that exceeds the national average. As you can see, most categories have values that are far below the national average. This could mean a couple of things. It could indicate a smaller overall percentage of homeowners own a second home. It could mean the values of the second homes and the amount spent on them are below the national average, or it could be both. Whatever the case, the market for second homes is not strong. This could be due to lack of quality supply. We know there are an estimated 47,667 households with a high enough net worth to be in a position to own a second home.

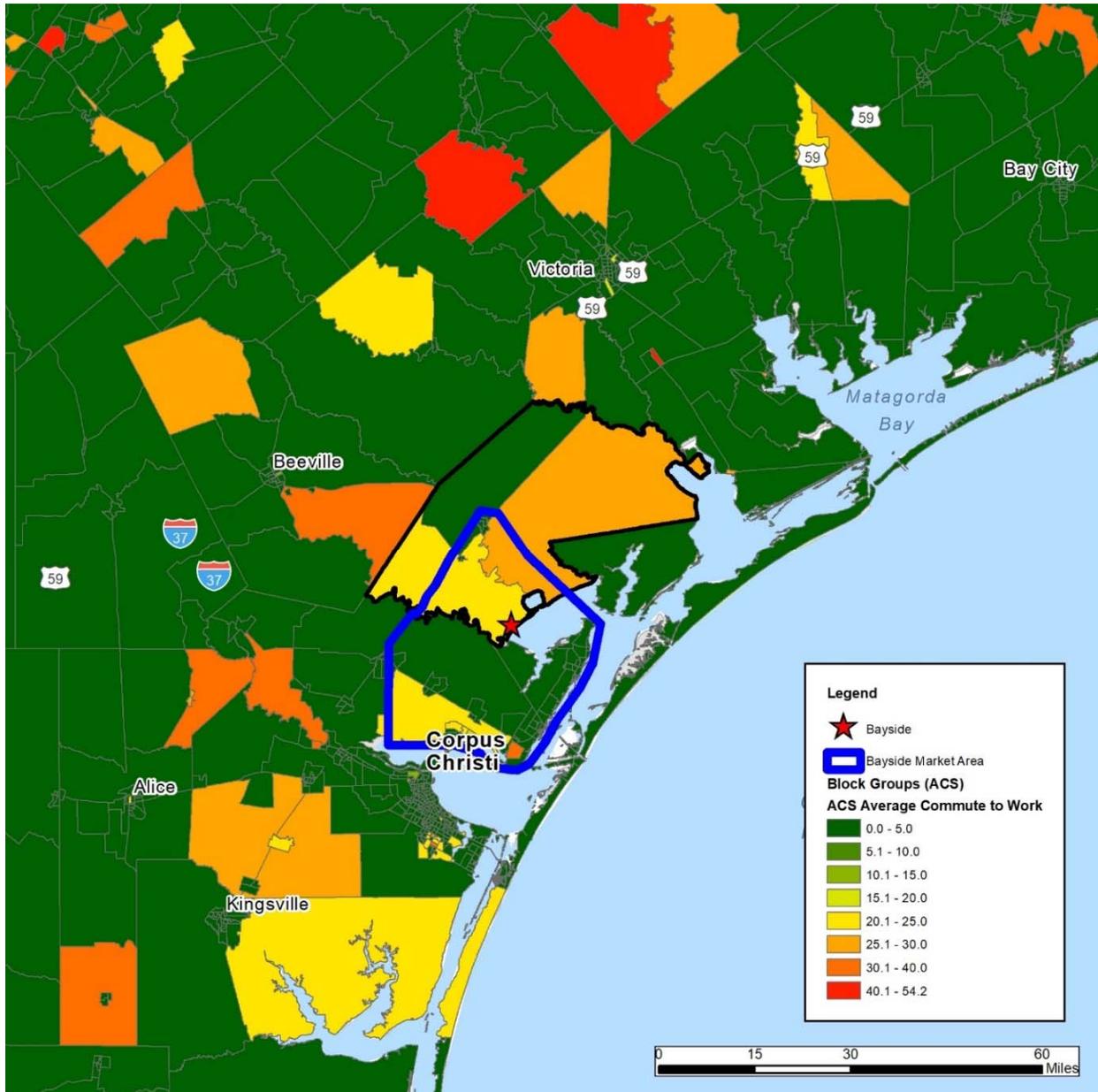
### Full-time and Temporary Workers

Full-time and Temporary worker housing via existing housing or RV’s in existing or new RV parks is a realistic market opportunity for Bayside, primarily due to its proximity to major job centers in Portland and Gregory.



Map 17 – Daytime Population to Full-time Population Ratio

The preceding map illustrates where the daytime population is exceeding the full-time population, and by how much. Anytime we see ratio values that exceed one, which indicates an area where most of the workforce is commuting in from another area. This map indicates that the phenomenon is occurring primarily in and around Corpus Christi. This is an opportunity to capture these workers only if they are currently residing north and northeast of Bayside. These workers are not in play if they live anywhere near Corpus Christi or between Corpus Christi and Bayside.



Map 18 – Average Commute Time to Work

A closer examination of the average commuting time to work indicates that there are several areas scattered about the region where commuting times are excessive. Keep in mind, this is the average commute time.

There are several pockets north and northeast of Bayside where the average commute time is at least 25 minutes. The big question is, “where are these workers commuting to?” If they are commuting to job centers in Corpus Christi, Portland or Gregory, then there is an opportunity to provide permanent or temporary housing to these workers. If they are commuting to the Port Lavaca area, then obviously relocating to Bayside would not be in their best interest.

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## 4. Thoughtful Suggestions

Refugio County and the Town of Refugio are wonderful communities that can boast of being a great reflection of the people - residents, public officials, and business people alike. This is evidenced by the participation in the meetings and gatherings that were scheduled, the personal interviews that we completed and even our attendance at the Kiwanis and Rotary Club meetings. The people who make the Refugio Community what it is care about their neighbors, their families, their visitors and their collective way of life.

This community is and of itself an asset worth nurturing, worth investing in and worth showing to the world.

As part of the introduction to this “report” we outlined what this report is not. As segue to this section I want to restate “What this report is NOT”.

- This report is NOT an answer key. It is not designed to give you a step by step process to solve specific issues that need immediate attention or action.
- This report is NOT based on a detailed review of plans, specifications, extended research, surveys, etc. It is based on observations, discussions and limited reading.
- This report is NOT an attempt to throw any person, organization, political subdivision, business owner or resident “under the bus”. It is about providing you an outsider’s opinion on how we perceive the community and what we were able to learn in a limited amount of time.
- This study is NOT a completed project but rather the beginning of your process to decide what steps you choose to take to enhance the community.

In our limited time in the area it was obvious to us that there are many dedicated leaders fully engaged and interested in making their community better. Our hope was to provide another tool for the leaders of the community to consider. Not for answers but to think about the questions they need to ask themselves. Where do we want to go? What are the priorities that will guide us? What can we achieve and accomplish? What BIG ideas do we have that will require BIG sacrifices to achieve? How do we continue to keep a watchful eye on the most vulnerable parts of our community (people and places) and connect them to the work you undertake?

This section – our thoughtful suggestions – is a summary of ideas to fuel creative thought. To make you think about what may be possible in your community. You may think everything we suggest is off base, can’t be accomplished, is crazy, or has no basis in your reality. That’s ok. But

if it makes you think of another way, another approach or another idea, we achieved what we had hoped to do to assist your community.

So here we go-*A few things to consider*

### **1. Refugio Housing Market Summary and Recommendations**

- a. Natural demand for housing via growth will be modest for the next four to five years. However, demand for senior housing (age 65 or greater) should see a significant boost. Anticipated growth for this product is expected to exceed 16 percent for the next four to five years. Further, the demand for nursing care and assisted living should increase as well – over 40 percent of the population age 65 or older is estimated to have difficulty performing the Activities of Daily Living (ADL).

Demand for both affordable and market-rate rental housing is relatively strong, although there are indications that natural demand for affordable housing has stabilized. Today, the majority of the affordable housing exists in the single-family rental market. Due to hurricane damage or otherwise, most of this product is substandard.

There was a housing study completed for Refugio back in 2012 that recommended discouraging additional subsidized multifamily units. We strongly disagree with this recommendation. There will be demand for affordable rental units (regardless of the age of the householder) for the foreseeable future. Constricting the majority of the supply to single-family rentals negatively affects the overall rental market, and subsequently, affordability, as well as negatively affecting the single-family for sale market. Affordable multifamily rental units can be constructed using subsidies and/or tax credits. Many of the affordable units being built today are almost indistinguishable from market-rate units. Many projects have a mix of both.

The owner-occupied housing stock is in poor condition. Current owners under the age of 65 are evenly distributed across the income cohorts. The data indicates that there may be a problem with overcrowding. Approximately 25 percent of these households have four or more people. For the next several years, the greatest demand for owner-occupied housing will be among those earning between \$10,000 and \$40,000. If these households are unable to purchase a home, in the absence of new affordable multifamily unit rentals, they will be absorbed into the single-family rental housing stock – further exacerbating the problem of substandard single-family homes, both renter- and owner-occupied.

The strongest demand will be among households over the age of 65 that want to be part of the owner-occupied market. We believe this represents a dangerous market inefficiency. Many of these households would be better off as renters of an age-restricted product that is accessible to those with difficulty performing the activities of daily living. Retrofitting single-family homes for accessibility can be expensive and/or cost prohibitive which can result in one of two dangerous scenarios – the homeowners absorb the additional expense and become housing cost overburdened or they forgo the expense and live with the risks.

Potentially the greatest demand driver for both the rental and owner-occupied markets is through the removal of substandard single-family housing units. The hurricane only exacerbated a problem that already existed – a large portion of the housing stock is substandard and beyond repair. We estimate that close to 1,300 single-family homes are either in need of significant repairs or could be targeted for demolition.

- i. One option the County has is to establish a land bank with which it could acquire properties and target them for demolition. A carefully deployed strategy could allow the County to assemble properties at a scale that allows for the construction of multifamily units.*
- ii. Although there is demand for for-sale housing at price points around \$150,000, this is difficult to build at this price point given the cost of materials and labor in today's market. We believe the focus should be on the construction of new affordable and market-rate rental units while removing the substandard single-family homes from the market.*

## **2. Woodsboro Housing Market Summary and Recommendations**

- a. After more than a decade of decline, the Woodsboro market has rebounded to population and household levels that exceed the count taken as part of the 2000 Census. Modest growth is expected for the next four to five years. A significant amount of growth has taken place since the 2010 Census within the population age 65 or older and this trend is expected to continue. Some of that was the product of in-migration, but most of the growth is the result of naturally aging in-place. Approximately 40 percent of these older households will require some assistance with the activities of daily living.

Both the affordable and market-rate rental markets for households under the age of 65 are relatively stable and evenly distributed across income and size cohorts.

Within the next several years, demand will be strongest among the \$30,000 to \$75,000 income cohort. The greatest demand will be among one and five or more person households. If the supply of rental units in Woodsboro does not increase, the demand will likely be absorbed by Portland, Gregory and Sinton.

Approximately 25 percent of the owner-occupied market consists of households with four or more people. This is a potential overcrowding issue. There are expected to be some noticeable declines in owner households under the age of 65 in the coming years. Most of the declines are expected to be among those households earning between \$50,000 and \$125,000 per year. The greatest gains are expected among those households earning between \$10,000 and \$40,000. These prospective homeowners will likely be absorbed by the existing housing stock with values less than \$60,000, assuming they can come up with the down payment. It is more likely these households are instead absorbed into single-family units within the rental housing market. A single-family home market that is trending towards more renter-occupied is not healthy for either the renter- or owner-occupied market. Introducing a new supply of both affordable and market-rate rental units would help stabilize the for-sale market.

Both the renter- and owner-occupied housing market for households age 65 or older are strong and will remain as such. Approximately 59 percent of renter households over the age of 65 are one-person households and nearly two-thirds of those households have incomes less than \$30,000. Since we know that most of the rental housing stock is single-family homes in this market, this seems to indicate a market inefficiency. In other words, these single person households are likely in homes that exceed their size needs. That means there is unmet market demand today for new, age-restricted, affordable rental housing for single person households.

Over 68 percent of the owner-occupied market for households over age 65 or older consists of one- and two-person households, the absorption of these households into the existing housing stock would likely result in a market inefficiency because the house size would exceed their needs. Further, there will be additional costs if the prospective owners require any special accommodations. This further exemplifies the need for age-restricted affordable and market-rate rental housing.

Both the owner-occupied and renter-occupied housing stock is quite old in this market. Older housing is not itself problematic. However, during our site visit we

observed a significant amount of deferred maintenance – either due to the hurricane or otherwise – which has likely increased the effective age of the housing by a decade or more.

Due to the lack of multifamily rental units, the owner- and renter-occupied housing is often indistinguishable. Owner- and renter-occupied housing built prior to 1950 accounts for over 10 percent of the housing stock. Again, due to deferred maintenance and hurricane damage, much of this housing is now beyond repair and should be demolished. Much like the housing in Refugio, the establishment of a county land bank could help reduce the stock of substandard housing and open up development opportunities for multi-family housing, for all ages, and all income levels.

*Woodsboro needs both affordable and market-rate rental housing. The most pressing need is for age-restricted rental housing like assisted or independent living.*

### **3. Austwell Housing Market Summary and Recommendations**

- a. Due to its size, Austwell does not have the critical mass required to attract any significant housing development in the short- to mid-term.
  - i. *The primary opportunities for growth will be among seasonal residents and supplying housing opportunities to full- and part-time workers across the bay in the Long Mott, Seadrift and Port Lavaca areas.*
  - ii. *The current RV Park is underutilized. A concerted effort to market and maintain this park are the most obvious short-term strategies that the City can employ. As more permanent and temporary workers fill the RV Park, vendors such as food trucks will eventually take notice. Some of the existing housing stock can be fixed up and utilized as workforce housing as more FEMA funds become available.*

### **4. Bayside Housing Market Summary and Recommendations**

- a. Due to its size, Bayside does not have the critical mass required to attract any significant housing development in the short- to mid-term. The primary opportunities for growth will be among seasonal residents and supplying housing opportunities to full- and part-time workers in nearby Portland and Gregory.
  - i. *The current RV parks present an opportunity to place temporary housing.*

b. The number one impediment to growth - or more appropriately, rebirth – is the Town’s crumbling street network. There is no incentive for new development to occur if there is no visible evidence that the streets are being repaired. The other impediment is the preponderance of vacant lots.

*i. A strategy to either encourage maintenance or sale of these lots is necessary if the Town is to get back on track.*

**5. Joint Planning.** There are numerous planning efforts going on that someone (or some group) needs to help coordinate. Likewise, there are also current plans in place addressing land use, etc. During our visit we learned of planning updates that the Keystone Airpark is working on, the North Texas Economic Development Partnership and the JSD Texas Institute of Government (IOG) at Texas State University is completing a community SWOT analysis and will also be conducting a workforce evaluation assessment for the region. Ideally, we would see the Refugio County Community Development Foundation (RCCDF) to not only actively participate in all of the aforementioned planning activities but to also lead the effort to identify the common areas and conflicts that may be prevalent in these plans. We would suggest the RCCDF to request a working group with representation from the City, the County, the Chamber and RCCDF to focus reaching consensus on specific areas that are key to the community from a development standpoint. In essence the creation of a *Blueprint for Refugio County* that BOTH the County and participating Communities can approve.

Three areas that are key and that need to be high on a joint priority list are:

- a. Infrastructure and Utilities. Serious considerations need to be discussed related to the potential to re-organize the water and sewer systems. Each of the jurisdictions are seemingly struggling to keep up with maintenance and deferred maintenance, long-term capital planning and slow customer growth. The potential to create a Refugio Water District should at least be studied further.
- b. Creating a Gateway. The by-pass will bring short-term challenges to the community but also great potential. Based on the most recent proposed location of the by-pass, opportunities for both refocus and new growth near these future connections. Likewise – especially for Woodsboro and Refugio – joint efforts to market the corridors into each individual community should be planned and discussed.
- c. Housing Plans Implementation. Based on the individual recommendations included above, how to move these options forward should be included in a Joint Planning Project by all participants.

I think a great example of guiding principles – when you think about great community planning – is the process that the City of Abbotsford, British Columbia has created. The Abbotsford approach includes the following concepts in their planning process:

1. Create a plan for TOMORROW, not yesterday or today
2. Plan for OUTCOMES, rather than time-frames
3. Speak and write HUMAN - don't be boring
4. Know WHAT in your plan is a consolidation, a tweak, and a rethink
5. Don't make readers play "where's Waldo" with your plan's BIG IDEAS
6. Design your plan with both FLEXIBILITY and CLARITY, and the wisdom and experience to know when to prioritize each
7. Emphasize FOLLOW-THROUGH in every step, policy and decision
8. Don't be shy to put the community's needs and tough choices up-front
9. Be BOLD, and don't be afraid to risk "competent failure"
10. Empower your team to be clever, creative, and fast and realize the CATALYTIC power of a plan. Every plan can be a game-changer!

6. **Code Enforcement.** Improving Code Enforcement must include an education element for the general public so that they understand the benefits from a health, safety, and economic standpoint. If residents feel they are being attacked by a zoning czar they are not going to be a willing partner in improving code enforcement issues. A couple suggestions for improving how code enforcement can be improved include the following:
- a. Organize neighborhood clean-up weekends that do not cost the residents to participate. These could include bulk-trash pick-up, roll-off dumpsters in key locations and volunteer groups to help folks with mowing, trimming, weeding, etc. – Boys and Girl Scouts, Key Club members, and other youth and adult service groups are always looking for new projects.
  - b. Standardization of code enforcement practices across the county. Various studies have shown that jurisdictions with standardized enforcement practices have an easier time recognizing code violations. These standardized practices allow for citizens to better understand what rules apply to all individuals within the county (regardless of the municipality they live in), allow for inhabitants from across the county to more efficiently report violations, and allow police and code enforcement officers to recognize violations at the edges of their jurisdictions. Key items that could be agreed to may include items such as:
    - i. Agree upon specified height for grass and overgrowth.
    - ii. Agree upon appropriate 'securement' procedures for abandoned or vacant buildings.
    - iii. Reduce the number of days required for hearing to occur on public nuisance properties. Research has found that it generally takes less time

for most property owners to abate a code violation than the length of time legally allowed in their particular jurisdictions.<sup>8</sup>

- iv. Stronger communication between Community Development, Police, and Code Enforcement when it comes to code enforcement violations.
- v. Adopt performance measurement targets for code compliance efforts for distressed neighborhoods and properties. Performance/outcome measurements are often difficult to quantify and measure, and take time to develop, but can result in a beneficial outcome for the community. “City of Austin Code Enforcement Department emphasizes the importance of setting performance measurements based on compliance rather than the number of cases or amount of fines. The City of Austin found that a goal of '95% compliance within 90 days,' for example, was more effective than measuring the number of citations issued or the number of cases handled”<sup>9</sup>
- c. The City and/or County may consider becoming a member of the Code Enforcement Association of Texas (C.E.A.T.). C.E.A.T. was formed to study and advance the science and practice of code enforcement through certification to further the interests of the profession to promote fellowship and understanding among its members; without regard to race, creed, color, and national origin, or sex. One of missions of the Association is to promote and advance the practice of code enforcement through education and certification and also serves to further the interests of the profession through advocacy; and to promote networking, fellowship, and understanding among their members.

- 7. Utilities and Infrastructure.** This may be one of the most critical items that needs to be addressed by the community. The issue is not just for the City of Refugio and Refugio County but quite frankly impacts the smaller neighboring communities as well. Most of the issues related to utilities and infrastructure are primarily with water, sanitary sewer, and storm water management. Tough decisions and prioritization of resources will have to be made in order to make meaningful headway. A few of the suggestions to consider are not easy to follow nor is their success guaranteed. Pursuing any approach that could help the region, however, must be a united path the community is willing to start down. The following are potential pursuits that may or may not have previously been explored but are options:

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<sup>8</sup> Way, Heather K., Michelle McCarthy, and John Scott. The University of Texas School of Law. Building Hope: Tools for Transforming Abandoned and Blighted Properties into Community Assets. Austin: The University of Texas School of Law, 2007. Web. 28 Nov 2009.

<sup>9</sup> Way, McCarthy, and Scott

- a. Financing. This option is most traditional and can include General Obligations Bonds, Revenue (or Enterprise Bonds) and other loan and grant options. The US Environmental Protection Agency (EPA) manages the Water Infrastructure and Resiliency Finance Center whose charge is to encourage effective use of federal, state and local funds for the extension of these important utilities. The EPA, U.S. Department of Agriculture (USDA) and U.S. Department of Housing and Urban Development (HUD) are the main sources of federal funding for drinking water, wastewater, and storm water infrastructure. Some examples of potential sources of funds include: Clean Water State Revolving Fund (CWSRF), Drinking Water State Revolving Fund (DWSRF), USDA Rural Development Water and Environmental Program (WEP) and Department of Commerce Economic Development Administration (EDA).
- b. Consolidation. Because this is an issue for other smaller communities perhaps considering a consolidation of neighboring water and sewer treatment facilities may provide an economy of scale to right-size the utilities to service the larger area and allocate participation, funding, etc. based on investment and service areas. “When Rural Water Systems Combine,” a report published by CoBank in October 2017, provides a broad overview of the consolidation process and poses questions a community should review to determine if consolidation is right for them. This short report may be a useful reference to start the conversation.<sup>10</sup>
- c. Privatization. Another potential approach to consider may be the privatization of the water/sewer system. There are numerous examples of firms that may be interested in “purchasing” the existing facilities and investing the necessary dollars to upgrade the system and provide residential and commercial service to a larger area.
- d. Assessment policies. There was a lot of discussion in our meetings about one or more developments that were considering the area but who would bear the full burden of extending and/or upgrading the public system for adequate water pressure and sanitary capacity. In many communities there are reimbursement policies in place that offer the “developer” a mechanism to recoup a portion of their investment for extending public utilities. Typically water utilities are recouped based on a lineal length of extended lines and sanitary on a “tributary area” that can be serviced. The community would certify the true costs of

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<sup>10</sup> “When Rural Water Systems Combine.” RURAL INFRASTRUCTURE BRIEFINGS, October 2017, [www.cobank.com/-/media/files/ked/power-energy-and-water/water-consolidation-report--oct-2017.pdf](http://www.cobank.com/-/media/files/ked/power-energy-and-water/water-consolidation-report--oct-2017.pdf). Accessed 23 Oct. 2018.

extensions and establish the method and amount that would be paid back to the municipality and then distributed back to the developer. A key component to this strategy is to require all residents and businesses connect to the public utilities if such utilities are within a certain distance. This is one reason why public buy-in is essential to the success of any extension effort.

8. **Key Employer Surveys.** We would suggest working with the Refugio County Community Development Foundation to establish a relationship with key employers in the County and outlying areas. Key information would be to understand where their associates live, what is their average commute time/distance, whether they rent or own a home, what impediments they face in home ownership, what attributes are most important in choosing where to live and if they currently do NOT live in the County what are key factors that would make them consider relocating. This info could be a great start to understand specific needs, desires and requirements to choosing to live in the County and also help to quantify the local market for new and redeveloped housing.

Outcomes from an Employer Survey allow the public sector to align key impacts and activities to changes in policies that are focused on “employee attraction” to the communities in the study area. If, for example, the results of the survey show a great percentage of employees are traveling more than 60 minutes each way for their commute, a focus on moving these associates to Refugio County could be the #1 focus of the community. Cutting off 30 mins to each commute (2x daily) would result in associates saving 5 hours of time per week, 260 hours per year or over 4 days a year. Likewise cutting 30 miles each way in driving would save the associate over 15,600 road miles over the course of the year. At 58 cents per mile that’s over \$9,000 in savings in fuel and other impacts. Following the survey you should work with the HR officers in these companies to try and align attendance and which associates are often late. These factors cost the business money. If they perceive a benefit to moving associates closer to their businesses they are more likely to participate in down payment assistance programs or rent underwriting.

9. **Town of Refugio.** *Expansion of the Historic Town Center.* Driving retail sales in a traditional “bricks and mortar” setting is a challenge that communities – and retailers – are dealing with across the nation. The advent of internet shopping and sales have led to a generally overbuilt environment, leaving many vacant storefronts in its wake. This shift in purchasing habits has also led to a resurgence in more specialty and destination type businesses that are focused on the full-service atmosphere. Aesthetics, quality, uniqueness and a sense of authenticity are becoming the cornerstone of reinvestment in a community’s traditional downtown areas. People want experiences in how they shop,

where they eat, where they play and even where they choose to “hang-out”. We believe the Historic Town Center area offers a prime opportunity for immediate activity in encouraging new investments and focusing attraction to a mix of businesses that are more destination and service related. We would encourage the community to consider participating in Texas Main Street Program and becoming an active member as appropriate. This organization – along with similar organizations across the country – focuses on encouraging economic development and is dedicated to bringing jobs, dollars and people back to Texas’s historic districts. The national Main Street revitalization effort for historic downtowns was formed more than 35 years ago, and there has been a statewide Texas program since that time operating through the Texas Historical Commission. The Texas Main Street Program (TMSP) is one of the oldest and largest in the nation, with 89 fully designated communities.

**10. City of Woodsboro.** Woodsboro has great potential to redevelop the Town Square as a major civic and community destination. Utilizing this asset –as suggested for the Town of Refugio – could provide unique location to show off the Texas Way. The town square is a great destination for weekly events like fairs, live music, and farmer’s markets. Starting small but thinking big may be the path that the City should consider. A couple key of key policy advances the City may want to consider include the following:

- a. Prepare and implement the development of a formal zoning code for the City.* Not only will this help in focusing land-use decisions into areas of the community that are more appropriate. As important is the ability of the community to implement code enforcement to help clean-up the community and maintain property values.
- b. Develop an Asset Management Plan.* An Asset Management Plan is a great way to communicate to voters and elected officials just how much money it takes to keep your infrastructure from failing, and every community should have one for each utility. Capital Projects Fund, which identifies projects planned over the next five years. Each project has a summary page, which at the bottom has a brief narrative describing the budget impact. Impacts appear to be limited to short-term operating expenditures, not long-term life-cycle costs. Ask your staff (or consultants) to calculate the equivalent annual cost of each project. Imagine that your city had an internal service fund that purchased, financed, maintained, and replaced (at the end of each life-cycle) all city assets and then leased those assets to the operating departments on a break-even basis. The lease payment in this situation would be the equivalent annual cost. Such an internal service fund would not change the actual cost of the infrastructure, but that cost would become much more visible to the community.

**11. Town of Bayside.** The Town of Bayside offers exceptional views, good access and available land and is located approximately 14 miles to Exxon's front door. What it does not offer is paved roads, water and sewer reliability and code enforcement. A few short-term suggestions include the following:

- a. *Roads, roads and roads.* The Town should continue to explore opportunities to identify funding options. One of which could be the creation of a Public Improvement District (PID) which is authorized under Local Government Code Chapter 372 (1987/ 2011 revisions). The use of a PID could utilize assessments to offset the cost of infrastructure (including streets, sidewalks, water and sanitary service, etc.).
- b. *Road Diet?* Farm to Market Road #136 provides great access through Bayside but typical travelers are driving too fast to catch the Town. The community should work with TxDot to try and slow down or otherwise change the pattern of traffic for travelers to realize when they are traveling through town. At a minimum improving the visual appearance with improved signage, etc. would be helpful as you enter and exit the community.
- c. *Zoning and/or Overlay.* The Town should adopt (if they do not already have) a comprehensive zoning ordinance to dictate land-use, development regulations, etc. If zoning exists in the Town or County, an Overlay could be created along the coastline to ensure new homes and improvements are consistent with community standards. One of the major impacts to attracting new housing opportunities is that with no regulations to hold property values, it is difficult to attract new investments.

**12. Town of Austwell.** One of the biggest attributes – and opportunities for new revenue – is built upon the Town's location on the water. The damage to the fishing pier significantly impacted the community and its ability to attract visitors to the area. Events such as Warrior Weekend in celebration of our Veterans are great draws for people but need additional focus to take advantage of them from a new revenue standpoint. Financing is the largest impediment to preparing for future growth as opportunities for revenue growth are severely lacking. A few suggestions that the Town may choose to consider include the following:

- a. *Focus on the rebuilding of the Pier. This is significant both for the residents and for the potential to attract visitors to the community. Working with the County and the GLO are critical for this to occur.*

- b. Once the pier is rebuilt additional infrastructure should be added to best take advantage of this asset. Included should be the development of well landscaped surface parking that provides immediate access to the Pier area. Potable water and sanitary sewer for restrooms is also key. Perhaps the rebuilding of the Pier could include an opportunity to “charge” for a Pier Pass that could help initial pay for improvements but also to provide ongoing revenue to the Town.*
- c. Because of the proximity to the Aransas National Wildlife Refuge the Town could package these assets and market to natural and wildlife enthusiasts to visit the area to spend some time. Adding options for Food trucks to park near the Pier area with adequate power and water drops could bring even more people to the area on weekends. Events such as “Weekends on the Water” could promote the water front almost as some communities have regular scheduled Farmers Markets’ through the summer.*
- d. Because Austwell is such a small community serious consideration should be made to discuss the potential to merge with the unincorporated Tivoli - a census-designated place and unincorporated community in Refugio County. This would provide Austwell with better access, a more defined central business district, would more than double the population and provide a larger palette for sustained growth. Minus a “Big idea” such as this, it will be a challenge to attract and substantial growth for this community.*

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