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An Overview of the Economy of Port Isabel, Texas

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An Overview of the Economy of Port Isabel, Texas



Conducted by:

**The Cross Border Institute for Regional Development
The University of Texas at Brownsville and Texas Southmost College**

For:
Gomez and Associates
Arroyo City, Texas

And
The Economic Development Corporation
City of Port Isabel
Port Isabel, TX

Supplemental funding provided by The International Innovation Center,
Workforce Training and Continuing Education Division,
HUD-HSIHC Grant –TX-02-27
Office of the VPEA UTB-TSC



Brownsville, Texas. April 15, 2005



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Introduction:

The assessment of a small geographic area, such as the city of Port Isabel, is rather difficult to conduct on a micro scale since most data is generated for the macro area that may include several census tracts and zip codes. This assessment, by the Cross Border Institute for Regional Development [CBIRD] at the University of Texas at Brownsville and Texas Southmost College is part of a component of a broader scope of work that is being conducted for the City of Port Isabel by Gomez and Associates. CBIRD will address those items, for which data was available, and will present some insights and observations on the data based on data that it acquired or generated by its field research in the community which included surveys, on-site interviews and interactions with community leaders and members of advisory boards that serve the city. The CBIRD research team will present observations, insights and recommendations that are apolitical and which reflect its assessment of conditions that it observed during the course of its data gathering and analysis.

Prior Community Assessments:

A prior community assessment of Port Isabel was conducted by Johnson & Associates of Austin, Texas in 2000. The assessment does not appear to be as broader in its scope as CBIRD's and much of the recommendations that are provided seem to come from a strategic planning retreat that was conducted on October 12th of 2000. Another consideration, here, is that the Johnson report was based on data from the 1990-2000 span which became mostly outdated when the year 2000 census data and updated references began to emerge. CBIRD presents data, in this report, that is more recent and also a result of direct interactions with the community.

Johnson & Associates are very upfront about not taking any neutral positions on some issues but as an institute, based in a public institution of higher education, CIBRD must be neutral and impartial in its presentation. CBIRD will not be redundant in its report by addressing items that are known to the leadership of Port Isabel and which were ably described by Johnson & Associates. CBIRD will instead provide updated data on some of the same areas of concern and attend to those that Gomez and Associates need to address.

There were some projects and programs that Johnson & Associates brought forth, for the consideration of the City that CBIRD finds to be unfeasible when one considers the geographic location of Port Isabel and its economic capacity. Among those were:

Tax Abatements: CBIRD does not believe that Port Isabel has the financial wherewithal to provide this incentive to anchor its economic development. To give such abatements, in a time of scarcity, would not bode well for all taxing entities since resources are needed to maintain the services and programs that are currently being delivered.

Free Land: The question here is: What land is there to give away? CBIRD's on-site assessment of this city leads it to state that this community is an enclave with constricting boundaries on all geographic points. Whatever land, that is available, is either owned by a few individuals or already designated for use by the public entities such as the city, county or school district. The only land that may become available is in the Port District, if the shrimping and fishing industries continue to falter. This item will be addressed later in this report.

Relocation Assistance and Cash Rebates: These recommendations go hand-in-hand with the two prior ones. Where would the industries relocate to and what labor force is available and labor ready within Port Isabel to draw industries to its taxing authority. Data to address these items is provided later in this report.

Offering of Tax Exempt Bonds and Defraying or Subsidizing of Site Development Costs: Like tax abatements, CBIRD does not believe that these options are viable ones for a city that needs to maintain its infrastructure and respond to the needs of a citizenry that is residing in very close quarters. What industries would be available to relocate and take advantage of this option if there is no available land to develop their sites within the city limits?

Training Assistance: This is a recommendation that can be acted on with the development of a collaborated action plan with Cameron Works, school district and the regional institutions of higher education. More details will be provided in the strategic goals section of this report.



Presentation of Data and Analysis of the City of Port Isabel and Its Planning Region:

The data that is presented is in various formats [charts, graphs and tables] and will be preceded by a brief overview of what is conveyed by the data and what it means to the City of Port Isabel.

Demographic Overview:

Port Isabel’s demographic profile leads us to make the following observations:

- It has a young population below the age of 19 years [33.4% or 1,631 residents] but the balance of Cameron County has a higher percentage of population in that cohort [37.2%]. This is the cohort that is or will be in the school attendance age span.
- The 20 years to 54 years of age cohort comprises 45% of Port Isabel’s population which is almost identical to the balance of Cameron County where it comprises 44.5%. This is the population that will either be enrolled in higher education, employed either in a full-time or part-time employment, most capable of migrating outward and which will also represent the data on unemployment during any quarter.
- Traditionally, a community’s stability is anchored in the population in age from 25 to 54 years since this is the cohort that provides the workers, homebuyers, married couples and also the ones who save or set aside funds for retirement. For Port Isabel, the population in this tier represents 38% of its residents and again, is almost identical to the 37.4% of this cohort in the balance of Cameron County. The challenge here is to keep these residents employed and that their continued capacity to earn wages to purchase property is not impaired by a weak or erratic economy.
- The 55+ years cohort represents 20.68% of the residents of Port Isabel and is not remarkably different from the balance of Cameron County’s 18.20%. This is the population cohort that is entering the twilight of its workforce capacity and is within a decade of retirement. The challenge here is how to maintain and nurture this population with the necessary and appropriate social and health as well as development support services once they are no longer in the workforce.

Table 1. Cameron and Port Isabel Population

	Cameron	%	Port Isabel	%
Under 5 years	31,744	9.5%	405	8.3%
5 to 9 years	32,315	9.6%	425	8.7%
10to14years	30,761	9.2%	415	8.5%
15to19years	29,914	8.9%	386	7.9%
20to24years	23,783	7.1%	332	6.8%
25to34years	46,404	13.8%	638	13.1%
35to44years	43,317	12.9%	609	12.5%
45to54years	35,797	10.7%	611	12.6%
55to59years	12,468	3.7%	226	4.6%
60to64years	11,349	3.4%	226	4.6%
65to74years	21,130	6.3%	371	7.6%
75to84years	12,448	3.7%	183	3.8%
85 years and over	3,797	1.1%	38	0.8%
Total	335227	100.0%	4865	100.0%

Source: U.S. Census Bureau, 2000

This data indicates that Cameron County’s employed workforce lags behind the balance of the state in terms of weekly wages. In all industries, the weekly wages for Cameron County workers is significantly less than the state average. The discrepancies are significant in that the only industry having a close correlation is # 71, leisure and



hospitality, which reflects the tourism industry. Education and trade, transportation and utilities also have a close, but no significant correlation. The overriding concern here is that many of these wage-earners are not earning sufficient wages to support their families and as such may be at risk of not affording adequate housing and obtaining unsubsidized health insurance for their families.

Table 2. Cameron County Weekly Wages 4th Qtr 2003

NAICS	Industry	Texas	Cameron	Cameron Vs Texas
11	Natural Resources & Mining Group	\$1,332	\$332	-75%
23	Construction	\$801	\$428	-47%
31	Manufacturing	\$987	\$534	-46%
42	Trade, Transportation, and Utilities Group	\$702	\$435	-38%
51	Information	\$1,057	\$692	-35%
52	Financial Activities Group	\$995	\$572	-43%
54	Professional and Business Services Group	\$933	\$516	-45%
61	Education & Health Services Group	\$695	\$453	-35%
71	Leisure & Hospitality Group	\$304	\$219	-28%
81	Other Services	\$480	\$334	-30%
99	Non-classified	\$724	\$382	-47%
Y	Goods-Producing Cluster	\$970	\$489	-50%
Z	Service-Providing Cluster	\$717	\$426	-41%

Source: Texas Workforce Commission. TRACER: Quarterly Employment and Wages, 2003.

The Cameron County annual wages for the last quarter of 2003 also indicate an area that pays low wages and even the “professional cohorts” such as finance/insurance [#52], real estate [#53], professional and technical services [#54], educational services [#61], public administration [# 92] and the health care industry [#62] are at the low end of the income scale. Also, it should be noted that the tourism and hospitality industries [# 71 and # 72] pay very low annual incomes and this is significant for Port Isabel which is a tourism and hospitality based industry community. Another consideration here is that either these wages rise or a significant brain drain may occur as these workers migrate to other areas of the state or even out of state.

Table 3. Cameron County Annual Wages 4th Qtr 2003

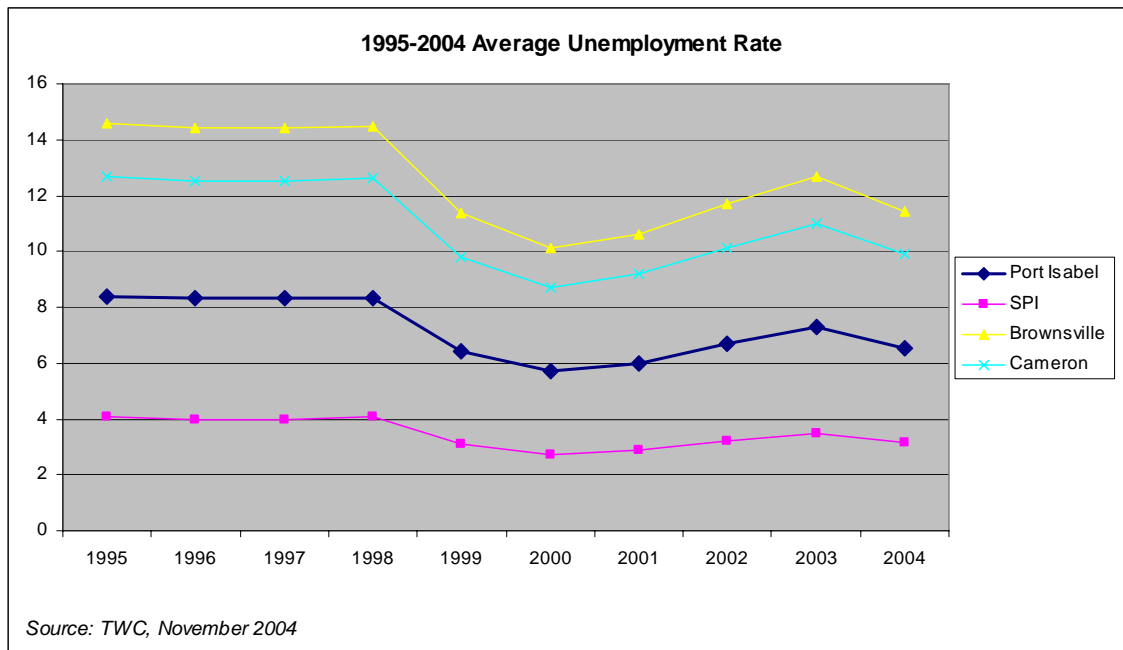
NAICS	Industry	Mean Wages	Median Wages
11	Agriculture, Forestry, Fishing & Hunting	\$22,189	\$19,338
23	Construction	\$22,096	\$18,925
42	Wholesale Trade	\$26,354	\$21,008
51	Information	\$30,780	\$24,131
52	Finance and Insurance	\$29,277	\$21,510
53	Real Estate and Rental and Leasing	\$23,479	\$18,240
54	Professional and Technical Services	\$32,123	\$21,868
56	Administrative and Waste Services	\$25,170	\$18,017
61	Educational Services	\$30,352	\$28,912
62	Health Care and Social Assistance	\$23,101	\$14,600
71	Arts, Entertainment, and Recreation	\$17,684	\$14,297
72	Accommodation and Food Services	\$15,204	\$13,450
81	Other Services, Ex. Public Admin	\$19,624	\$15,622
92	Public Administration	\$31,171	\$26,712

Source: Texas Workforce Commission. TRACER: Wages by Occupation, 2003.



The good news for Port Isabel is that during the past five years its average unemployment rate has been one of the better ones when compared to Brownsville and the balance of Cameron County [all communities within the county]. Only South Padre Island, which employs many Port Isabel residents, had a lower average unemployment rate than Port Isabel [which has many residents that work on the island]. There appears to be some integrated economic relationship between these two communities and there may be a case of shared economies in a small area divided only by a 2.37 mile long bridge.

Figure 1. 1995-2004 Average Unemployment Rate.



The numerical representation of the same data on the graph, as shown in this table, clearly shows that on an average South Padre Island has less than half as many unemployed residents than Port Isabel. What is significant is that the unemployment rates in these adjacent communities are significantly lower than Brownsville's and the balance of Cameron County. When one considers the average wages for these two same communities, it can be inferred that the labor force is significantly employed in low wage paying jobs.

Table 4. Unemployment Rates

	Port Isabel	SPI	Brownsville	Cameron
1995	8.4	4.1	14.6	12.7
1996	8.3	4	14.4	12.5
1997	8.3	4	14.4	12.5
1998	8.3	4.1	14.5	12.6
1999	6.4	3.1	11.4	9.8
2000	5.7	2.7	10.1	8.7
2001	6	2.9	10.6	9.2
2002	6.7	3.2	11.7	10.1
2003	7.3	3.5	12.7	11
2004	7	3.1	11.5	9.9

Source: TWC, November 2004



Physical growth of the community:

The physical growth and development of any community is contingent on the available land or that which can be reclaimed for other than its present use. As noted, Port Isabel is an enclave with very little available land within its city limits to either expand or develop its economic enterprises and housing stock. Most of the land that can be used for enterprise development has been used on Highway 100 which cuts through the center of the city with the most significant development being the Wal-Mart that is under construction on the south side of Highway and almost adjacent to the HEB store which is going to expand its physical capacity within the next year.

There has been some recent motel construction on Highway 100, a sports bar that is being built by Mayor Marchand on the North side of Highway 100 within close proximity of a beach wear and accessories outlet on the south side of this main artery. A significant restaurant and entertainment venue, Pelican’s Landing, is being constructed by Mr. Bill Zimmerman just south of the Causeway facing South Padre Island within the historic district and just off Garcia Street and Hickman.

There is a 90 acre tract of land that is being marketed for development by John Thobe in the Port District and there is a small tract, about 20 acres, almost directly across by the Thobe site. The other potential development properties, within the city limit, are those owned by Bill Zimmerman on South Shore. The properties where much of the fishing and shrimping businesses are located on South Shore Drive, facing the basin, could become available if the businesses relocate or sell their properties for development. Of concern here is the potential of EPA rated brownfield sites due to the presence of many discarded petroleum waste products as well as other industrial residue.

A major indicator of a community’s development is a measure of its housing stock. An environmental scan undertaken by the researchers which consisted of driving throughout this compact community leads to these observations:

The older section of this city is south of Highway 100 and the mix of houses in the old Mexiquito and along South Shore Drive. These homes reflect a mix of very old houses in need of repair, some which need to be evaluated for their historic significance and several which show recent remodeling and refurbishing. The newer houses and multi-family residences are located in the “Fingers” area and north of Highway 100 where most of the higher priced real estate is found. Some of these properties are selling for upwards of \$300,000 and the tax range is between \$6,000 and \$9,000.

The following table represents the characteristics of housing in Port Isabel and its adjacent communities as an outcome of the year 2000 census. There are several items to consider here: 1.) the size of housing in terms of median rooms per household in Port Isabel is not unlike the balance of Cameron County. 2.) Laguna Vista is building the larger homes in this region and that could be because it is a planned community with minimum square feet requirements for residential construction. Also, it is the newest community since none of the properties were constructed prior to 1939. 3.) Port Isabel has the lowest stock of buildings with 10 or more residential units to accommodate multi-families, while South Padre Island has the most which reflects the construction of condominiums. While Port Isabel is a very historic city, many of its homes, less than 4% were built prior to 1939 or were built to replace those structures lost to either time or the ravages of nature such as hurricanes.

Table 5. 2000 Housing Characteristics

Geographic area	Total Housing Units	Median Rooms	Percent				Year Structure Built	
			1 unit, detached or attached	In buildings w/10 or more units	Lacking plumbing	Lacking kitchen	1990 to March 2000	1939 or earlier
Cameron County	119,654	4.5	63.3	9.3	2.4	2.3	25.4	4.3
Laguna Heights	556	3.3	40.6	0	3.6	0	23.6	2.3
Laguna Vista	715	5.1	64.2	11.3	0.3	0	19	0
Port Isabel	2,057	4.2	52.1	6.2	1.3	0.4	20.9	3.5
SP Island	4,653	4	14.9	65.4	0.1	0.6	15.8	0.1

Source: Census Bureau, 2000.



Construction in Port Isabel: Residential and Commercial, 1994-2004

Residential Real Estate Overview:

The construction of residential properties in Port Isabel indicates an inconsistent pattern which may reflect trends in the regional economy or the availability of land within the city limits. From 1994, construction did not exceed twenty sites, as determined by the number of building permits granted by the city. The average value of these residential properties does raise some in 1998 and 1999 but diminish in 2000 and reached a low for the 1994-2004 timeframe of \$47,158 which may indicate the development of older properties. There was significant upturn in residential construction between the period from 2000 to present and some of this may be attributed to the initiatives of the Community Development Corporation of Brownsville which constructed sixty-five houses in Port Isabel during that time span. The residential permits for 2004 and their average value of \$140,602 would indicate the construction of some expensive properties on the north side of highway 48 and specifically in the Modern Venice area facing the Laguna Madre.

Figure 2. 1994-2004 Port Isabel Building Permits.

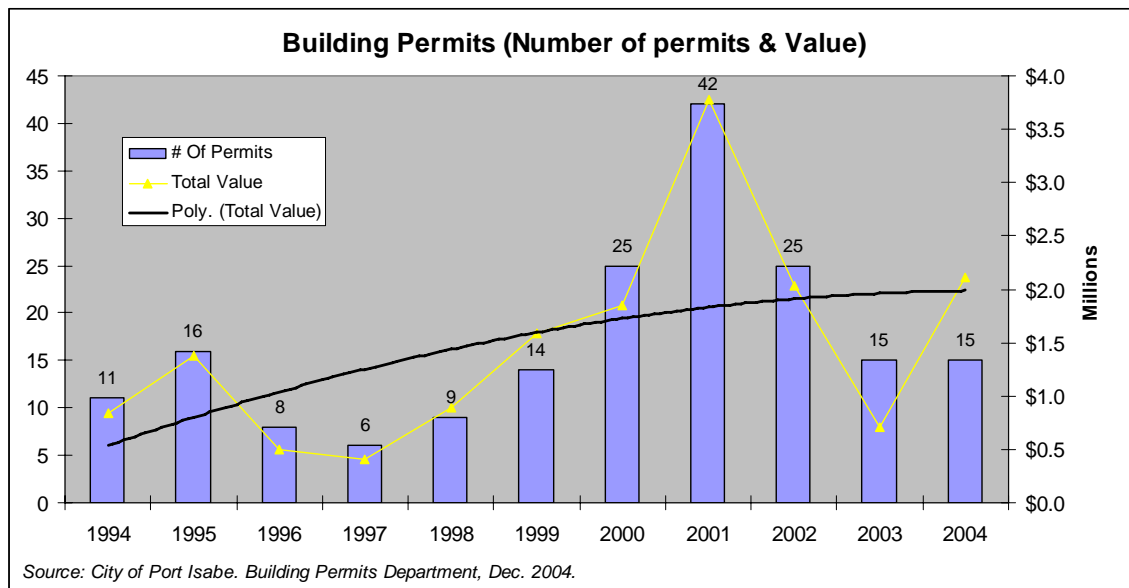


Table 6. 1994-2004 Port Isabel Building Permits

	# Of Permits	Total Value	Average Value
1994	11	839,880	76,352.73
1995	16	1,375,300	85,956.25
1996	8	504,000	63,000
1997	6	402,500	67,083.33
1998	9	892,500	99,166.67
1999	14	1,589,850	113,560.71
2000	25	1,847,800	73,912
2001	42	3,782,083	90,049.60
2002	25	2,031,882	81,275.28
2003	15	707,372	47,158.13
2004	15	2,109,043	140,602.87
Total	186	16,082,210	938,117.57

Source: City of Port Isabel. Building Permits Department, Dec. 2004



Commercial Real Estate Overview:

The Port Isabel commercial construction trend has been one which has fluctuated with a rather low number of three permits in 1994, a slight upturn in 1996 with thirteen permits with a high value, an upsurge to ten permits in 1998. The 2001 calendar year indicates a strong commercial construction boom with twenty-six permits having a total value of nearly \$4 million. The immediate past 2004 cycle indicates that only six permits were let but the value is a bit inflated to the construction of some expensive enterprises, the Wal-Mart [\$5,300,000] and the restaurant/shopping complex under construction by Mr. William Zimmerman.

Table 7. Port Isabel New Commercial Buildings

Year	Number of Permits	Value
1994	3	\$ 519,000.00
1995	6	\$ 765,500.00
1996	13	\$ 6,019,660.00
1997	4	\$ 271,000.00
1998	10	\$ 1,717,300.00
1999	7	\$ 1,036,000.00
2000	9	\$ 272,000.00
2001	26	\$ 3,983,060.00
2002	7	\$ 531,400.00
2003	5	\$ 226,565.00
2004	6	\$ 7,020,000.00

Source: Port Isabel Building Permits Department, 2004

Table 8. 2004 New Commercial Building Permits

Date	Value	Description
Jun-04	\$ 120,000.00	New Comm. Bldg.
Jun-04	\$ 90,000.00	New Comm. Bldg.
Jul-04	\$5,300,000.00	Super Wall Mart
Aug-04	\$ 220,000.00	New Comm. Bldg.
Aug-04	\$1,170,000.00	New Restaurant
April-04	\$ 120,000.00	Church's Chicken

Source: Port Isabel Building Permits Department, 2004

The Relationship of the Community to the Region:

Port Isabel is located in Cameron County which is, by all social indices, one of the poorest counties in the nation. According to CBIRD's Cameron County/Matamoros Benchmarking Study (2003), and the aforementioned referenced about this community's socio-economic indicators do not deviate significantly from the balance of the county. The ripple effect of this region's low socio-economic conditions will impact Port Isabel since its economy is inter-linked to the balance of the Rio Grande Valley and to the border community of Matamoros. As are most communities in South Texas, the majority of Port Isabel's population is Hispanic within the greatest percentage of that being of Mexican origin.



Table 9. National Rankings: U.S. Counties (Population 250,000 or more – 220 Total)

Poverty Rankings	Cameron	Hidalgo
Percent of People Below Poverty Level	1	2
Percent under 18 below Poverty Level	1	3
Percent 65+ Below Poverty Level	2	1
Education Rankings		
Less Than a High School Diploma	2	1
Percent of High School Graduate or Higher	219	220
Percent of People with a Bachelor's Degree or More	212	217
Economy Rankings		
Percent in Labor Force	219	220
Median Household Income	220	218
Median Family Income	220	219
Median Value	218	219
Other Related Issues		
Fertility of Unmarried Women: All women with Birth	134	182
Fertility: Rate per 1,000 Women 15 to 19 Years Old	44	1
Percent of Children Under 6 with All Parents in Work Force	220	219
Speaking a Language Other than English	2	1
Speaking Spanish at Home	2	1
Percent Owner-Occupied Housing Units	114	179
Median Monthly Housing Cost for Renters	219	220
Median Monthly Housing Cost for Mortgaged Owners	219	217

Source: U.S. Census Bureau, Demographic Surveys Division, Continuous Measurement Office

The communities contiguous or in close proximity to Port Isabel are different in some aspects to this city. Among those differences are:

- Laguna Heights is an unincorporated community immediately west of Port Isabel which has no significant shopping areas so its population uses Port Isabel as its main shopping resource.
- Laguna Vista is a developing resort and bedroom community with much high end real estate development with a focus on recreation and again no significant shopping outlets and like Laguna Heights uses Port Isabel as its main shopping resource.
- South Padre Island is almost 100% dedicated to tourism and to high end real estate development for individuals with money to purchase second homes. An example of the difference in development, between the Island and the other South Texas communities are the two identical towers for the Isola Bella high-rise condominiums. The 128 units of Isola Bella is a \$40 million development that will replace the Miramar Resort Motel, which was first built in 1957. Condos at the Isola Bella development range from \$500,000 for a three-bedroom unit to \$1.5 million for one of four penthouses. [Harlingen Valley Morning Star: 11/1/03]
- South Padre Island is also a community which has a very small native workforce so it relies on Port Isabel and other surrounding communities as its primary sources for workers for its hospitality and recreational industries. It is also the city which is the host of most university students that come to South Texas for spring break in either March or April. Also, South Padre Island appears to be a preferred investment locale for real estate that is purchased by Mexican nationals or out of region investors.
- All of these communities are impacted by the “Winter Texans” who come south from mostly mid-western states and Canada to winter in this region. All of these communities have parks for trailers and RV’s but these are less evident in Laguna Vista.



- None of these communities have a full health services facility to serve their shared emerging population. This is a concern which seems to be more openly vocalized by the residents and leadership of South Padre Island than any of the other communities. CBIRD sees this situation as one which will have a negative impact on these communities as more retirees scout them for potential retirement settlement.
- Access to Port Isabel and the surrounding communities is mostly by ground vehicle via either highway 48 from Brownsville or highway 100 from interstate 77. There is a rarely used county airport just northwest Port Isabel and near Laguna Vista which provides some access for private passenger airplanes. At present, Cameron County Commissioner David Garza is working with a consulting group to identify the infrastructural requirements to upgrade this facility but there does not appear to be an integrated plan to make this rather large facility and its land part of any economic development framework.
- Access to Port Isabel and South Padre Island, from Brownsville and Matamoros, will be facilitated by the expansion of highway 48 by the Texas Department of Transportation [TXDOT]. This highway will become a full four lane venue through the expansion of the 9.9 miles from the entry to the Port of Brownsville north to the intersection of highway 100 in Port Isabel. This is a \$12.2 million project which was being bid on by several contractors in January of this year and which will take approximately 12 to 14 months to complete according to the TXDOT area engineer in San Benito. This development will shorten the time it takes to get to Brownsville and Matamoros and make the traffic flow a safer one for both personal and commercial traffic.

Natural Resources Profile of Port Isabel:

Port Isabel is located along the southwestern shore of the Laguna Madre and just north of the land mass delineated by the Rio Grande Delta. It is in the Gulf Prairies and Marshes ecoregion and part of the Tamaulipas biotic province. There is rich diversity of natural resources in the Port Isabel area and surrounding region, many of these supported by the Laguna Madre. The Laguna Madre is one of the most unique natural features in South Texas and in the entire state. It is the only hypersaline coastal lagoon on the North American continent and one of only five worldwide. It is internationally recognized through its designation as a Western Hemisphere Shorebird Reserve Network site (meaning it hosts at least 100,000 shorebirds annually), and is the subject of much conservation effort and study by academic institutions and public interest organizations.

Port Isabel is located near prime birding sites (see Texas Parks & Wildlife Department's Great Texas Coastal Birding Trail), both along Highway 48 and on South Padre Island. Two North American migratory flyways (Mississippi and Central) merge and pass through the region along the Texas Gulf Coast, funneling thousands of migrating songbirds, shorebirds, raptors, ducks and geese through the area. Supporting this bird diversity and other wildlife are the mosaic of habitats in the region, which include clay lomas, wind tidal flats, mudflats, mangroves, saline flats dominated by sea oxeye, gulf cordgrass and glasswort, tidal inlets, and wetlands like San Martin Lake and the Bahia Grande. Tamaulipas thorn scrub dominates some parts of the region, protecting other charismatic fauna like the endangered ocelot. Less than 15 miles to the north from Port Isabel, Laguna Atascosa National Wildlife Refuge hosts some 50,000 visitors per year who come to enjoy this diverse mix of local flora and fauna. Many of these same visitors enjoy birding and wildlife-watching tours offered by Port-Isabel based outfits such as the Fins to Feathers bay tours and Dolphin watch cruises.

To the northwest and west, outside the urban limits of Laguna Heights and Laguna Vista, Port Isabel is bordered by the publicly owned Bahia Grande unit of Laguna Atascosa National Wildlife Refuge (19,909 acres) The Port of Brownsville ship channel lies directly south, and immediately south of the channel, several units of the Lower Rio Grande Valley National Wildlife Refuge, totaling some 20,880 acres.

The Bahia Grande itself is the site of a major restoration effort in progress with the support of a number of conservation partners. This 6,000-acre wetland to the north of highway 48 was periodically flooded prior to dredging of the Port of Brownsville ship channel in the 1930's. The ship channel, along with the construction of highway 48, effectively cut off tidal exchange to the Bahia, drying it up and creating a major source of dust in the surrounding area, including Port Isabel. The U.S. Fish & Wildlife Service acquired Bahia Grande in 1999 with the help of the Conservation Fund, thus galvanizing the effort to restore this long dried wetland. The entire scope of the restoration project contemplates the use of channels to route water to the Bahia and an additional 5,000 acres of



adjacent wetlands, the purpose being to restore healthy functioning in the wetlands and re-energize its value as a shrimp, crab and finfish nursery area and native and migratory bird habitat. Additional benefits to the region include dust control and nature tourism.

Seagrass beds have often been described as the "cornerstone of life" in the lagoon, providing cover and forage for many juvenile shellfish and finfish. In fact, 26 of the 31 species of fish identified from Gulf of Mexico estuaries as having ecological, commercial, or recreational value have been found within the Laguna Madre. Texas Parks and Wildlife estimates the value of the Laguna Madre sport fishing industry to be around \$180 million annually, supporting some 1,327 jobs. The offshore shrimping industry remains largely dependent on the Laguna Madre as a nursery ground for juvenile brown shrimp. The Port Isabel and Brownsville port together represent the third largest-volume shrimp port in the nation. The National Marine Fisheries Service data on offshore landings for shrimp from 1990-97 document average annual revenue of \$57 million.

Seagrasses also provide the ecological structure sought by aquatic birds. About 38 different species of waterfowl have been documented along the lower Texas coast. At least 77% of the North American redhead duck population overwinters on the Lower Laguna Madre. The redhead is entirely dependent on the rhizomes of one particular type of seagrass called shoalgrass, found within seagrass meadows. Natural and human-created spoil islands provide nesting grounds and rookeries for thousands of colonial waterbirds (heron, egret, ibis, and spoonbill) – including the threatened reddish egret, and gulls and terns. It also provides the essential shallow water habitat for the fish and invertebrates important to wading birds. Washover passes (storm and hurricane-induced openings in the dune structure along South Padre Island) provide nesting sites for snowy plovers, and the barrier island and associated tidal flats are essential habitat for the threatened piping plover. Altogether some 30 species of shorebirds (willet, dunlin, plover, sandpiper, dowitcher, sanderling, curlew, turnstone, avocet, yellowlegs, stilt, phalarope, oystercatcher, killdeer, whimbrel, red knot) use the barrier island beaches, exposed tidal flats, washover passes, and mudflats associated with the Laguna Madre. Some of these species can periodically be seen on the few undeveloped mudflats within Port Isabel.

In short, the fact that Port Isabel is surrounded by such diversity of wildlife and habitats that will be protected on public land for the foreseeable future is of great value to the community. Development within the city should proceed under the assumption that the natural resources are a valuable asset lending additional reasons for tourists, winter residents or businesses to want to visit and/or locate there. At the same time, that development should be carried out in such a manner as to protect the natural assets the city enjoys to the greatest extent possible.

Economic Base Study and "Barrier Analysis":

The following table provides recent data on the types of businesses that compose the Port Isabel economic framework. The overwhelming majority [66.8%] are business involved in the retail trade which includes all stores and restaurants. The second largest concentration is in the service industry which may involve banking, legal, motel rental, real estate, accounting, tourism related business along with support services for other industries such as print shops and medical services. The low number of construction related enterprise is significant in that it may indicate that there is not enough construction within the city to sustain contractors and developers. The manufacturing and agriculture may be cumulative indicators of shrimping and packing outlets. Overall all industries contributed \$103,652,820 to the local economy, of which nearly half consisted of taxable sales which indicates that there was much tax exempt exchange of goods and services within this community.

Table 10. Port Isabel 2003 Industry Statistics

	# of Businesses	Gross Sales	Taxable Sales
Retail Trade	135	92,242,844	52,228,323
Services	36	3,589,932	1,837,309
Construction	8	1,711,722	1,072,545
Wholesale Trade	6	3,969,819	335,171
Manufacturing	6	1,463,170	344,543
Transportation, Communications & Utilities	4	207,991	191,645



Agriculture	3	91,573	13,051
FIRE	2	0	0
Other	1	0	0
Non Classifiable	0	0	0
All Industries	199	103,652,820	56,158,501

Source: Texas Comptroller of Public Accounts. Quarterly Sales Tax, 2003

The following table presents data that shows the percentage of the labor force that was employed in Port Isabel by industry. The emphasis on tourism in this community is evident by the fact that nearly 22% of those employed worked in accommodation or food services. None of the other categories, except for retail, has an employment percentage of over 10%. The agriculture, forestry, fishing and hunting employment data is indicative of the regional natural environment and what appears to be a declining shrimping industry. The employment data for education is reflective of the small size of the Point Isabel Independent School District which has only 232 total personnel in all categories during the last available reporting period from the Comptroller's Office. A number that strikes CBIRD as curious is that which reflects employment in the health care and social assistance industries since there is no significant health delivery services located within this community. This number may reflect home health service providers that are situated in Port Isabel. The relative small number of public employees attests to the size of the city's municipal service area and of those other public employees from either federal, state or county agencies that are headquartered within Port Isabel.

Table 11. 2003 Estimated Employed Labor force by Industry

Industry	Employment by Industry	% Employed by Industry
Accommodation and food services	589	21.87%
Retail trade	292	10.85%
Other services (except public administration)	246	9.12%
Educational services	232	8.60%
Agriculture, forestry, fishing and hunting	164	6.08%
Transportation and warehousing	140	5.19%
Real estate and rental and leasing	137	5.09%
Administrative support and waste management services	126	4.67%
Construction	120	4.46%
Health care and social assistance	97	3.62%
Manufacturing	95	3.51%
Wholesale trade	95	3.51%
Finance and insurance	89	3.30%
Arts, entertainment, and recreation	88	3.25%
Utilities	62	2.31%
Public administration	49	1.84%
Professional, scientific, and technical services	48	1.78%
Information	25	0.94%
Total	2693	100.00%

Note: Table collated by CBIRD using U.S. Census Data 2000 as baseline and TWC Employment Data 4th quarter of 2003. Individual Employment Industry growth was not computed.

The annual wage data that is provided in the following table was not available at the municipal level and is a cumulative reflection of Cameron County. What the data does tell us is that salaries, for all occupations in this region, will be nearly 30% less than the balance of the state and nearly 33% less than the balance of the nation. The industries that are in decline, fishing and agriculture, in this region also show an unattractive and a poverty level annual salary base. When one compares the heavy reliance on tourism of the Port Isabel economy with the related occupations and their annual wages one begins to see an imbalance that will not sustain the present workforce or be attractive to future prospective employees. Of concern here is where this community's future employment base will



come from to support the tourism and hospitality industries. Another area of concern, to consider here, is the wages for the education occupations since there will be more recruitment of qualified faculty from the larger school districts in Texas which will pay higher wages, especially for bilingual teachers. Where would the Point Isabel Independent School District turn to for its faculty if that scenario comes to be?

Table 12. Annual Wages by Occupation

Occupation Title	Cameron	Texas	U.S.	Cameron Vs Texas	Cameron Vs U.S.
All Occupations	\$24,650	\$34,390	\$36,520	-28.3%	-32.5%
Management Occupations	\$57,040	\$79,640	\$83,400	-28.4%	-31.6%
Business and Financial Operations Occupations	\$43,160	\$53,720	\$56,000	-19.7%	-22.9%
Computer and Mathematical Science Occupations	\$42,830	\$64,160	\$64,150	-33.2%	-33.2%
Architecture and Engineering Occupations	\$37,610	\$61,700	\$60,390	-39.0%	-37.7%
Life, Physical, and Social Science Occupations	\$40,100	\$57,740	\$54,930	-30.6%	-27.0%
Community and Social Services Occupations	\$33,390	\$33,480	\$35,800	-0.3%	-6.7%
Legal Occupations	\$62,550	\$81,510	\$78,590	-23.3%	-20.4%
Education, Training, and Library Occupations	\$33,700	\$38,320	\$41,390	-12.1%	-18.6%
Arts, Design, Entertainment, Sports, and Media Occup.	\$26,920	\$38,370	\$43,350	-29.8%	-37.9%
Healthcare Practitioner and Technical Occupations	\$49,430	\$54,840	\$56,240	-9.9%	-12.1%
Healthcare Support Occupations	\$15,500	\$19,600	\$22,960	-20.9%	-32.5%
Protective Service Occupations	\$29,410	\$31,780	\$34,430	-7.5%	-14.6%
Food Preparation and Serving Related Occupations	\$14,210	\$15,790	\$17,400	-10.0%	-18.3%
Building and Grounds Cleaning and Maintenance Occup	\$15,470	\$17,910	\$21,290	-13.6%	-27.3%
Personal Care and Service Occupations	\$13,300	\$19,190	\$21,570	-30.7%	-38.3%
Sales and Related Occupations	\$20,190	\$30,140	\$31,560	-33.0%	-36.0%
Office and Administrative Support Occupations	\$21,340	\$27,130	\$28,540	-21.3%	-25.2%
Farming, Fishing, and Forestry Occupations	\$13,790	\$18,240	\$20,290	-24.4%	-32.0%
Construction and Extraction Occupations	\$20,600	\$28,990	\$37,000	-28.9%	-44.3%
Installation, Maintenance, and Repair Occupations	\$25,040	\$33,680	\$36,560	-25.7%	-31.5%
Production Occupations	\$21,150	\$27,290	\$28,930	-22.5%	-26.9%
Transportation and Material Moving Occupations	\$19,880	\$26,800	\$27,630	-25.8%	-28.0%

Source: Bureau of Labor Statistics, Occupation Outlook, November 2003.

Availability of Energy Resources:

The availability of energy related and public utilities appears to be sufficient to support the present and emerging needs of this community. The competition among both electricity and telephone services, especially cellular, will result in more options to consumers and lower prices as they shop for the better deal. The costs related to these factors appear to be lower or in line with other municipalities, except for Brownsville where the Public Utilities Board has been raising the price of its utilities. Feedback with the Laguna Madre Water District administrators was very positive concerning this agency’s capacity to serve the emerging needs of its clients both on the coastal communities but there appears to be some concerns about development on the north side of South Padre Island. In a Valley Morning Star [September 2004] article, the manager of the Laguna Madre Water District expressed some concerns about the fact that such development would strain the district’s capacity.

The fact that the wastewater treatment plant at Andy Bowie Park had peaked at 89% and that such projects, further north on the Island, would strain available resources. Another concern to the water district is that the summer is the time with the greatest use of water resources and if use peaks at 75% of capacity, “for more than three months, the state becomes very interested.” This article also points out a key issue and that is that while water-treatment facilities were built to standards that the state has since tightened these same standards through revised regulations. The state, it notes, now, “allows less turbid water than in the past, which would threaten the [Laguna Madre Water] District’s adherence if its plants were pushed to the limits. This situation has both its negative and positive implications in that there is a water district serving Port Isabel that is being proactive but its capacity is being challenged by expanding development in a subsidiary client, South Padre Island and even Laguna Vista.



Table 13. Port Isabel Utilities Cost

Gas	\$ 50.00 DEPOSIT \$ 15.00 CONNECTION \$ 7.15 PER MONTH plus Additional Usage
Water	\$9.75 up to 4,000 gallons
Sewer	\$9.90
Telephone	26.95 base price
Solid waste disposal	Usage
Electricity	22 providers Average Price \$ 0.1096 dollars per kwh
Garbage	Application Deposit \$20.00 and \$ 17.86 per month Businesses \$24.14 per month

Source: Local Providers

Electricity Costs

The residents and commercial users of electricity have a variety of options in terms of where they contract for their services since the industry was deregulated. There are twenty electrical service providers in Port Isabel and there are variations on their individual costs. These costs are based on different formulas, which may result in greater savings for certain clients. The lowest electrical service, based on cost per kilowatt hour is USAVE Energy and the highest cost provider is Fire Fly Electricity. The average for all providers comes out to about \$.11 per kilowatt hour.

Table 14. Electricity Cost per kwh (cents of a dollar)

1	TXU Energy Company	11.5
2	Reliant Energy Retail Services	11.3
3	First Choice Power, Inc.	12.4
4	Green Mountain Energy Company	12.4
5	Entergy Solutions Ltd.	10.55
7	CPL Retail Energy	12.5
8	GEXA Energy	10.0
9	ACN Energy, INC.	11.7
10	Cirro Energy	10.4
11	Direct Energy, LP	10.3
12	Just Energy Texas, LLC	10.0
15	Fire Fly Electricity	15.1
16	USAVE Energy	8.3
17	ECONnergy Energy Company	9.2
18	Amigo Energy	11.3
19	Electric Now, LP	9.5
20	Azor Energy, LP	9.9
Average Cost per kwh in cents		10.9607
Source: Power to choose online database. January 2005. http://www.powertochoose.org/resources/glossary.asp#r		

Transportation:

The availability of transportation to Port Isabel has not changed much since the Johnson and Associates report of five years ago. Recently, on January 17th, the Brownsville Urban Transit System entered into an agreement with Rio Transit to offer round trip service from Brownsville to Laguna Heights, Laguna Vista and Port Isabel. This bus service will operate from 6 a.m. to 7 p.m. from Monday to Saturday. There is transportation to and from South Padre Island on a two way transit system known as the WAVE which is used by workers and tourists alike.



The airports are still the same, in Harlingen and Brownsville, there is still an absence of bus service to and from the city, the previously referenced expansion of highway 48 from Brownsville will have a positive impact on traffic flow. The construction, leading to the expansion to the U.S. 77, will have a positive impact to Port Isabel since it will allow quicker access to highway 100 from north, south and east bound traffic. An unresolved issue, which may have significant impact on Port Isabel, is the proposed construction of a second causeway to run parallel and due north of the Queen Isabella Causeway. The economic implications for Port Isabel, Harlingen, San Benito, and Los Fresnos would be significant in that it is proposed that the route for this by-pass would begin at the intersection of near highway and Combes and go east to north side of the Island. Effectively, this would mean that traffic to South Padre Island, which might pause within the referenced communities, could directly by-pass these cities and go straight to the Island. The merchants and tourist attractions in any of these communities would feel the negative downturn on their businesses. This is an item that is still under review by different regional planning groups and we understand that the position against this proposed causeway has been voiced by the leadership of Port Isabel.

The following time commuting data table leads CBIRD to believe that residents at a minimum, 47% of Port Isabel workers are driving outside of the city to work in surrounding communities or to the Island. One can get to a distance of 22 miles, at least to Brownsville, in a time span of 20-29 minutes or to Los Fresnos, Laguna Heights, or Laguna Vista.

Table 15. Time Commuting to work

	PI Workers	Percent
Under 10 min	594	30%
10-14 min	442	22%
15-19 min	529	27%
20-29 min	199	10%
30-44 min	153	8%
45-59 min	18	1%
60-89 min	12	1%

Quantity, Quality and Availability of Raw Materials:

This is a component of this study that can not be fully addressed within the context of Port Isabel’s emerging economic development. The data shows that there is a diminishing manufacturing and commercial construction industry so the need for raw materials is also dissipating. The raw materials here, to support the tourism and corollary industries, will be human resources with an every expanding intellectual and knowledge capital if there is really going to be a focus on supplemental industry to tourism.

Labor Supply by sex, industry, and skills:

In order to determine these factors, CBIRD had to collate year 2000 census data with the most recent reports from the Texas Workforce Commission. Among the critical points here are the following:

- The data provides an overview of those individuals that were employed as of the fourth quarter of 2003.
- The data can not be interpreted as stating that all individuals that are employed within Port Isabel are residents of the city.
- What data does state is that of the 2693 individuals that are employed within Port Isabel, that a significant percentage [21.87%] are working in tourism or hospitality related industries.
- It is also significant, we believe, that a substantial number and percentage of workers in these industries are female [65%] and that a smaller percent [35%] are males. These percentages are almost identical for the retail trade employment figures where again females make up the greater percentage of employees [64%] to males



[36%].

- The percentage of employees in the educational sector is again overwhelmingly female, 71% to 29% for male.
- There is an almost even participation rate among the genders in the administrative/support and waste management services. Males represented 51% of the workforce here and females represented 49%. This participation rate was also evident in the health care and social assistance sectors.
- Surprisingly, females had a higher participation rate [83%] than males [17%] in the area of public administration, which encompasses all public governmental agencies.
- The construction and manufacturing industries were overwhelmingly male with less than 15% of females participating in either industry.
- The professional, scientific and technical services which are related to banking, research and services related to the local natural and environmental sectors were female dominant by 62% to the male rate of 38%.

The workforce of Port Isabel is participating in diverse enterprises but the majority is in what could be considered the “soft industries.” For the purpose of this analysis, CBIRD is defining tourism, hospitality, retail and support services as soft industries. These sectors are considered soft since they do not have the means to control their production cycles or materials and rely on external variables that are generally out of their span of control. These services rely on the traffic of potential clients that may be drawn to the area by marketing, through traffic, curiosity or word of mouth. The weather, accidents, and the natural habitat of a region have much influence on how these soft sectors fare. For example, the collapse of the Queen Isabella Causeway in the fall of 2001 had tremendous negative impact on the economy of Port Isabel, South Padre Island and generally South Texas. Weather events such as drought, torrential rain, or hurricanes can also alter the capacity of these soft industries and may threaten their survival.

The other three industry clusters with over 100 employees can be considered “hard industries” according to Eamonn Fingleton [2003], who uses this term to denote capital-intensive and technically sophisticated forms of manufacturing. The downturn in the shrimping and fishing industries has diminished the manufacturing of trawlers and other fishing/shrimping related equipment in Port Isabel. The three industries that can be labeled as hard, occupy space such as warehouses and use diverse transportation means to get products to and from clients, whereas construction makes use of many technologies to erect facilities such as the new Wal-Mart on highway 100. These industries are at risk in this community for a variety of reasons among those being:

- The lack of land space to construct large, cost effective structures, which would provide a sufficient return on investment to the developer or construction companies, mitigates against more construction projects in Port Isabel.
- The absence of land also has an impact on the initiation of new manufacturing facilities or on the expansion of what is also there. This is a crucial issue to consider if one is to market this community as a site for the relocation of enterprises from other parts of the United States.
- The environmental regulatory and oversight requirements of different federal, state and regional agencies need more study as to how water and land use, as well as air quality, may impact the types of industries that could relocate to Port Isabel’s limited land space. These are precursors to the development of a “clean industry” which are very technology intensive in the production of information resources, medical devices, or pharmaceuticals.



Table 16. 2003 Estimated Employed Labor Force by Industry and Sex

Industry	Employment by Industry	% Employed by Industry	Male		Female	
			Number	%	Number	%
Accommodations and food services	589	21.87%	209	35%	380	65%
Retail trade	292	10.85%	105	36%	188	64%
Other services (except public administration)	246	9.12%	124	51%	121	49%
Educational services	232	8.60%	68	29%	164	71%
Agriculture, forestry, fishing and hunting	164	6.08%	154	94%	10	6%
Transportation and warehousing	140	5.19%	85	61%	55	39%
Real estate and rental and leasing	137	5.09%	90	66%	47	34%
Administ. support & waste management services	126	4.67%	64	51%	62	49%
Construction	120	4.46%	103	86%	17	14%
Health care and social assistance	97	3.62%	47	48%	51	52%
Manufacturing	95	3.51%	95	100%	0	0%
Wholesale trade	95	3.51%	59	63%	35	37%
Finance and insurance	89	3.30%	35	40%	54	60%
Arts, entertainment, and recreation	88	3.25%	73	84%	14	16%
Utilities	62	2.31%	62	100%	0	0%
Public administration	49	1.84%	8	17%	41	83%
Professional, scientific, and technical services	48	1.78%	18	38%	30	62%
Information	25	0.94%	16	61%	10	39%
Total	2693	100.00%	1415	53%	1278	47%

Note: Table collated by CBIRD using U.S. Census Data 2000 as baseline and TWC Employment Data 4th quarter of 2003. Individual Employment Industry growth was not computed.

Available Business Sites and Buildings:

The map that provides data and a legend to the available commercial and residential land that is available for development in Port Isabel is provided as Attachment A.

Cost Factors

Wage Levels:

Wage level data is not available on a municipal micro level so the data that is provided by the Bureau of Labor Statistics has been normed to Cameron County where Port Isabel is located. What is immediately evident is that the wage levels, on average, are at least 30% less than the balance of the state and nation in this part of the state. This data is virtually the same for the surrounding Rio Grande Valley Counties of Willacy, Hidalgo and Starr. The wage levels in this part of Texas are such that families can not maintain the necessary economic means to give them access to housing and other common amenities. In many instances, many of these families subsist by working at more than one job and many do not participate in any benefits eligible occupations which would provide for health care for their families. The critical issue is that if families are not making sufficient income then they are not paying sufficient taxes or making contributions to support the physical and social infrastructure of communities or buying property which is the main base for the taxes that public entities rely on.



Table 17. Median Hourly Wages by Occupation

Occupation Title	Cameron	Texas	U.S.	Cameron Vs Texas	Cameron Vs U.S.
All Occupations	\$8.71	\$12.53	\$13.65	-30.5%	-36.2%
Management Occupations	\$23.88	\$32.65	\$34.70	-26.9%	-31.2%
Business and Financial Operations Occupations	\$18.53	\$23.32	\$23.91	-20.5%	-22.5%
Computer and Mathematical Science Occupations	\$16.82	\$28.95	\$29.37	-41.9%	-42.7%
Architecture and Engineering Occupations	\$15.18	\$28.01	\$27.38	-45.8%	-44.6%
Life, Physical, and Social Science Occupations	\$18.55	\$23.31	\$23.40	-20.4%	-20.7%
Community and Social Services Occupations	\$15.41	\$15.18	\$15.81	1.5%	-2.5%
Legal Occupations	\$25.43	\$29.25	\$28.56	-13.1%	-11.0%
Education, Training, and Library Occupations	\$16.66	\$18.04	\$18.26	-7.6%	-8.8%
Arts, Design, Entertainment, Sports, and Media Occup.	\$11.29	\$15.96	\$17.20	-29.3%	-34.4%
Healthcare Practitioner and Technical Occupations	\$19.86	\$21.06	\$22.14	-5.7%	-10.3%
Healthcare Support Occupations	\$6.63	\$8.67	\$10.35	-23.5%	-35.9%
Protective Service Occupations	\$11.39	\$14.06	\$14.38	-19.0%	-20.8%
Food Preparation and Serving Related Occupations	\$6.41	\$6.77	\$7.49	-5.3%	-14.4%
Building and Grounds Cleaning and Maintenance Occup.	\$6.89	\$7.83	\$9.16	-12.0%	-24.8%
Personal Care and Service Occupations	\$6.25	\$6.86	\$8.59	-8.9%	-27.2%
Sales and Related Occupations	\$7.45	\$9.80	\$10.33	-24.0%	-27.9%
Office and Administrative Support Occupations	\$9.29	\$12.00	\$12.62	-22.6%	-26.4%
Farming, Fishing, and Forestry Occupations	\$6.36	\$7.13	\$8.19	-10.8%	-22.3%
Construction and Extraction Occupations	\$9.34	\$12.51	\$16.21	-25.3%	-42.4%
Installation, Maintenance, and Repair Occupations	\$10.28	\$15.02	\$16.61	-31.6%	-38.1%
Production Occupations	\$9.22	\$11.29	\$12.46	-18.3%	-26.0%
Transportation and Material Moving Occupations	\$8.24	\$10.35	\$11.35	-20.4%	-27.4%

Source: Bureau of Labor Statistics, *Occupation Outlook*, November 2003.

Land/Site Costs

The following table represents data collected from real estate brokers and from individual owners that had listed the property for sale. The data represents a sample of the average and median price per square foot for properties that are currently available within the city of Port Isabel. One can not make a one-to-one comparison of land value or costs with those at surrounding communities since the issue of available and scarcity of land impedes such a comparison. The location of the available real estate, within this community, also impacts its value since the most expensive properties are north of highway 100 in the New Venice/Fingers area. It would not be a far-fetched assumption to state that the more expensive real estate is not being purchased by local residents of this community. There is a very limited inventory of real estate, both commercial and residential, to be purchased in Port Isabel.



Table 18. Port Isabel Land Cost

Location	Size	Lot Price	Price/Sq ft
Tarvana & Adams	50 by 120=6000 sq ft	\$ 50,000.00	8.33
Harbor Island Dr (fingers)	56 by 100 for lot 59&60	\$ 75,000.00	13.39
Harbor Island Dr (fingers)	29 by 100 for lot 61	\$ 40,000.00	13.79
Tarpon (fingers)	50 by 100=5000 sq ft	\$ 80,000.00	16
Harbor Island Dr (fingers)	72 ft. on frontage 56 ft. rear on water	\$ 85,000.00	21.08
Queen Isabela , Longoria & Moran	75 ft. on frontage/ 120 ft. on Longoria/ 9000 sq. ft.	\$ 195,000.00	21.66
Yturria & Polk	50 by 120=6000 sq ft	\$ 143,500.00	23.92
Pampano (fingers) (3lots for sale)	50 by 100=5000 sq ft	\$ 125,000.00	25
1010 Trout (fingers)	100 by 100=10000 sq ft	\$ 375,000.00	37.5
618 North Shore Dr.	50 by 120=6000 sq ft	\$ 239,000.00	39.83
1114 Trout	50 by 100=5000 sq ft	\$ 339,000.00	67.8
AVERAGE Price per Sq ft			\$ 26.21
Median Price per Sq ft			\$ 21.66
<i>Source: Local Real State Agencies, 2005</i>			

Local property taxes:

The following table provides an overview of the typical property taxes that are collected within the City of Port Isabel. The typical tax ceiling has been \$1.50 per \$100 evaluation and both the Point Isabel ISD and the Laguna Madre Water District may be approaching their taxing ceiling. The city still has some leeway in that its property taxes are relatively low and about 50% from the allowable ceiling.

Table 19. Port Isabel Tax Rates 2004 (Ad valorem rate per \$100 evaluation)

GCC	CAMERON COUNTY	0.358191
SST	SOUTH TEXAS ISD	0.039200
IPI	POINT ISABEL ISD	1.356120
CPI	CITY OF PORT ISABEL	0.68700
SCI	LAGUNA MADRE WATER DISTRICT	0.123807

Source: Cameron Appraisal District. 2005.

Operating Condition Factors:

Skilled and Unskilled Labor Supply

A community's most valuable resource is its human capital which is comprised of students and the workforce that is work-ready. The starting point for a community's workforce is its educational system and the number of its citizens that are educated to enter the workforce, obtain additional training or received in-house training by their employers. The most recent data, from the 2000 census, shows that:

Of the population in Port Isabel, between the ages of 18-24 [467 residents] that 48% had less than a high school diploma: 104 males and 118 females. This is a critical issue in that a significant of a very young cohort does not possess the necessary and prerequisite education to enter the workforce with the appropriate reading, mathematic or social skills to have an immediate impact on the local industries. Research has shown [Intercultural Development Research Associate, 2003-2004, San Antonio, Texas] that drop-out or non-completers have a lesser capacity to enter the workforce and lack the precursor reading and communication skills to receive training and may need remediation before they can be trained. This is a barrier.

- In the ages 18-24 cohort there were 135 high school graduates or those having a GED.
- This same cohort had 93 individuals with some college or an associate degree, which can be seen as a positive because these individuals have demonstrated a commitment to post-high school education and have entered the



higher education pipeline and must be encouraged and nurtured to completion.

- There were only 17 individuals in this age cohort having a bachelor or higher education degree.

The population over age 25 years represented 2,908 citizens of Port Isabel and this cohort has the following educational and human capital characteristics:

- Forty one percent 1,189 of the 2,908 have less than a high school education and no diplomas. These are individuals, it can be surmised, are working in the low paying hourly wage jobs that have been previously described. This cohort is also one in need of more education to either receive their GED or obtain occupational and technical training to expand their capacity to gain high wage employment. Anecdotal data, from field interviews, leads us to state that this is the educational strata that may be typical of those individuals working as shrimpers. This is a group that needs to receive additional literacy and retraining as this industry continues its downward spiral as a significant component of Port Isabel’s economy. Also, this cohort may include the service workers that are currently employed in the tourism and hospitality industries in this city.
- There were 609 Port Isabel residents, in this age cohort, which had a high school diploma. This data has to be presented with a cautionary note in that it is not stating that there were only 609 high school graduates from Point Isabel school district. These graduates may number in the hundreds, in a cumulative representation, but they may not be residents of this community at the time that the data was collected. In addition, the number represents individuals that have not attended Port Isabel High School but may have relocated to this community due the timeframe of the data.
- The post-secondary data is positive in that 38% or 1,110 residents of this community had been enrolled in a college, were in attendance or had graduated with either a bachelor’s or master’s degree. In an interview with the newly appointed superintendent, it was noted that over 50% of the faculty in the Point Isabel School District lack a master’s degree. This situation presents an opportunity to engage the University of Texas at Brownsville’s School of Education, the superintendent proposed, in a full time, on-site graduate program in Port Isabel.

This community needs to expand its base of qualified or employable residents who possess the precursor educational background to receive additional training to be promoted and retained within industry.

Table 20. Port Isabel Educational Attainment

Subject	Both sexes		Male		Female	
	Number	%	Number	%	Number	%
EDUCATIONAL ATTAINMENT						
Population 18 to 24 years	467		195		272	
Less than high school graduate	222	48%	104	53%	118	43%
High school graduate (incl. equivalency)	135	29%	64	33%	71	26%
Some college or associate degree	93	20%	27	14%	66	24%
Bachelor's degree or higher	17	4%	0	0%	17	6%
Population 25 years and over	2,908		1,440	50%	1,468	50%
Less than 5th grade	330	11%	118	36%	212	64%
5th to 8th grade	377	13%	160	42%	217	58%
9th to 12th grade, no diploma	482	17%	289	60%	193	40%
High school graduate (incl. equivalency)	609	21%	319	52%	290	48%
Some college credit, less than 1 year	158	5%	74	47%	84	53%
1 or more years of college, no degree	418	14%	220	53%	198	47%
Associate degree	177	6%	84	47%	93	53%
Bachelor's degree	250	9%	124	50%	126	50%
Master's degree	95	3%	40	42%	55	58%
Professional degree	12	0%	12	100%	0	0%
Doctorate degree	0	0%	0	0%	0	0%

Source: U.S. Census Bureau, 2000.



Vocational education facilities:

The University of Texas at Brownsville and Texas Southmost College, along with the South Point Independent School District, developed a computer-learning laboratory at Port Isabel High School. This learning center is currently under-utilized and there is a need to assess its point, staffing, hours of operations, and the scope of programs and services that need to be provided at this site to clients and students of this school districts and the communities it serves.

Student Enrollment and School facilities:

The City of Port Isabel is served by the Point Isabel Independent School District which also serves the communities of South Padre Island, Laguna Heights and Laguna Vista. This school district had 2,423 students enrolled, as of the latest Texas Education Agency report, in the fall of 2003. The enrollment breakdown for this district is as follows:

Table 21. Point Isabel I.S.D.

BAYVIEW	17	0.7%
BROWNSVILLE	39	1.6%
DEL MAR HEIGHTS	1	0.0%
HARLINGEN	2	0.1%
LA FERIA	1	0.0%
LAGUNA HEIGHTS	576	23.1%
LAGUNA VISTA	451	18.1%
LOS FRESNOS	26	1.0%
PORT ISABEL	1191	47.8%
SOUTH PADRE ISLAND	180	7.2%
SAN BENITO	7	0.3%
Total Enrollment	2491	100.0%

Source: Point Isabel I.S.D. January, 2005.

The data shows that 47.8% of the Point Isabel ISD’s students are residents of the city of Port Isabel with the remaining 49.52% residing in over ten other communities. The fact that a student is a resident of Brownsville or San Benito or even La Feria does not necessarily mean that the district’s boundary goes that far to the other cities. What this data may indicate that the parents of these children may work in Port Isabel and commute with their children to and from their homes on a daily basis. In conversations with the staff of the Boys and Girls Club, we ascertained that some of the town parents have their children enrolled in the after school programs at this club and simply use its programs and facilities as a convenient day-care and after school care alternative.

A point that merits consideration is the low enrollment that resides on the South Padre Island which is a major property base for the taxes of the Point Isabel ISD. This return on investment could be, if it is not already, a point of contention of the Island community. Another item to consider here is that the two westward communities of Laguna Heights and Laguna Vista provide almost as many students to this school district as does the city of Port Isabel. This situation may eventually be one, which through demographic shifts, could results in Port Isabel being the community that has the less residents in a school district that is based within its city limits.

These students were attending classes at the following educational facilities within the city of Port Isabel:

Table 22. Port Isabel Schools

School	Address	Phone
Derry Elementary	Second and Oklahoma	Port Isabel TX 78578 (956) 943-0070
Garriga Elementary	600 Washington Street	Port Isabel TX 78578 (956) 943-0080
Port Isabel Junior High School	Highway 100	Port Isabel TX 78578 (956) 943-0060
Port Isabel High School	Highway 101	Port Isabel TX 78578 (956) 943-0030

Source: City of Port Isabel Web page, 2005.



Medical/Health Services:

A crucial and unresolved issue is that which concerns the availability of a facility with qualified medical and health professionals to provide both emergency and ongoing services to this city as well as the surrounding communities of Laguna Heights, Laguna Vista and South Padre Island. The absence of such a facility will have an impact on the attraction of Winter Texans and the relocation of retirees who need and require access to medical services such as heart specialist, orthopedics and on-going health maintenance services. Also, this type of medical facility needs to be available to and accessible to the community to support the medical needs of families and workers who may require both emergency and sustainable health services such as eldercare, pre-natal, early childhood health, and ongoing health maintenance for both insured and uninsured clients.

While there is a presence of an EMS ambulance, there is only one medical emergencies helicopter serving the region which presents a dilemma in case of concurrent multi-emergencies. There is one Community Clinic and one small emergency clinic but their hours of operation and inventory of services are rather limited. The nearest major emergency and long term hospitals are the Valley Baptist Hospital in Harlingen, which is an approximately 35 minute drive or approximately a 15 to 20 minute flight if available. The other major medical facility is the Valley Regional Hospital in Brownsville, which is about a 30-minute drive or about a 15-minute flight by helicopter.

Debt:

“The City of Port Isabel does not have a legal debt limit. The City is organized as Chapter One through Ten under Title Twenty-Eight of the Constitution of Texas and thus may not have a tax rate higher than \$ 1.50 per \$ 100.00 of assessed valuation” [Pattillo, Brown & Hill, L.L.P. City of Port Isabel, Texas Annual Financial Report Year ended September 30, 2003. p. 60]. Overall this community has a very healthy financial prospectus. Its debt of less than 500,000 could be easily eliminated by the commissioners and this would bode well for any future bond initiatives.

Table 23. Computation of Legal Debt Margin Year ended Sept 30, 2003

Assessed valuation - 2001 tax roll for fiscal year 2002	\$ 154,023,611.00
Debt limit - by custom, a practical economic debt limit of 5% of the assessed valuation is used	\$ 7,701,181.00
Total bonded debt	\$ 500,000.00
Amount available in general bonded debt service fund	\$ 148,079.00
Applicable net debt	\$ 351,921.00
Economic debt margin	\$ 7,349,260.00

Source: City of Port Isabel, Texas Annual Financial Report. Sept 30, 2003

Community Organizations:

This community has an active community focus and participation by citizens that are vested stakeholders of its development. The Historical Museum’s advisory board is not listed in this inventory since its role is to provide program and policy guidance to a city sponsored agency. One organization that merits special notation is the Boys and Girls Club which was constructed through the use of a grant to the city from the Rio Grande Valley Rural Empowerment Zone. This club is a key nexus to the community’s youth programs with its provision of excellent educational and recreational support services and programs for the children and young adults of Port Isabel. It is one of the most used and better constructed facilities of its type in south Texas.



Table 24. Community Organizations
Habitat for Humanity, Laguna Madre Chapter
Rotary Club
Port Isabel Chamber of Commerce
American Legion Post #498
Boys and Girls Club of Laguna Madre
Friends of the Liberty
Laguna Madre Art League
Laguna Madre Humane Society
Laguna Madre Museum Foundation, Inc.
Laguna Madre Yacht Club
Laguna Madre Golf Association
<i>Source: City of Port Isabel Web page, 2005</i>

Community Perspectives and Feedback:

The CBIRD team felt that it was necessary to obtain direct feedback on economic development in Port Isabel from both the leadership and citizens/visitors so that we would have another perspective about what matters. To accomplish this task, the CBIRD team conducted interviews with a select number of individuals [organizations and names are provided as an attachment], conducted random interviews with citizens on the streets of the community and surveyed business owners, managers and workers about the city’s quality of life and its economic environment. This information is anecdotal and its value is in the direct and unrehearsed feedback that is spontaneous which provides information that matters to the conveyor about the environment under review.

Economic and Workforce Development Feedback [Paraphrased]:

This section covers data that was obtained from some key contacts that were shared by the City’s Economic Development Corporation and Ms. Alicia Baldovinos. The interviews were conducted according to a time that was convenient to the interviewees and in their worksites or offices. Every attempt has been made not to quote verbatim these individuals and rather the essence of their feedback is paraphrased to cover the main points that were shared. The names of all individuals that were interviewed are attached for reference.

- The Wal-Mart will make a significant impact on the city’s workforce because it will add an additional 150 employees to bring the total workforce at this enterprise to 300. The workers will come from within the coastal communities and Port Isabel to provide an expanded array of products and services in a 54,000 square feet facility.
- The manufacturing era is over at Port Isabel and tourism and hospitality will be its mainstay industries. The availability of land for manufacturing and the downward trend in the shrimping industry has made entrepreneurs and investors look elsewhere for new investments such as the Pelicans Landing restaurant and shopping area which is currently under construction.
- There is not a sufficient workforce in the city of Port Isabel so more and more we will rely on workers who come from the surrounding coastal communities. Fully half of the employees at the new Pelican Landing will be from out of town.
- The economy of the city is dormant and there is a need to diversify it through more workforce training which focuses on technology, we need to expand the import/export capacity of the port and there is a need for a multi-purpose center. Also, there is a need to develop and upgrade the older residential neighborhoods.
- The expansion of highway 48 to four lanes from the entry to the Port of Brownsville, 9.9 miles north toward Port Isabel, to the intersection of highway 100 in Port Isabel. This roadway construction will have a positive



impact on the economy of this community. It will make travel more expedite and safer to and from Brownsville and Matamoros.

- There is not a quality control plan within the city's administration to guide and assess economic development. Generally it was conveyed that economic planning is not an integral component of the city's overall strategic plan for development.
- The absence of rail services directly to the city of Port Isabel inhibits economic development since reliance is on truck traffic for import and export of products.
- The city, county, U.S. Corps of Engineers and other agencies need to work on a long-term action plan for the abatement of the blowing dust that originates in the Bahia Grande during the dry season. The economic impact is evident in that this dust clogs up the air conditioning systems and causes damage to businesses and is harmful to school children.
- There is an emerging imbalance in the tax base in this community. Expensive properties are being developed north of highway 100 and the older properties south of 100 in the Mexiquito and other older neighborhoods are going to be in situations where the value may rise and with this rise, also the taxes. This may cause a problem for the homeowners who may own the property but are not in an economic situation to pay higher taxes.
- The shrimping industry will continue to dissipate as international competition continues, the upturn in fuel costs, rising wages and also environmental concerns continue to be evident. The challenge here is: What happens with the nearly 150 trawlers that are based in the Port District and which are outside the city limits of Port Isabel. Also, what is to be done with the displaced and dislocated shrimpers who will have to find new employment and who may have limited skills for the new economy?
- There is a need for more accommodations to respond to the needs of the tourists and visitors to Port Isabel. There is limited land on highway 48 to meet any new construction needs.
- The cities of Port Isabel and South Padre Island must work on more cooperative economic and workforce agendas since their economies are inter-related.
- There must be a relationship between an economic development plan and the development or expansion of the historic district.
- Port Isabel needs a multi-purpose community center which focuses on support services and which could host small conferences but not big conventions such as those on the Island.
- The development in the Fingers area must also allow for commercial enterprises such as the New Venice project.
- There is a need for a micro medical/health facility which could provide 24 hour emergency services that allow for a successful transfer to more comprehensive facilities such as those in Harlingen and Brownsville.
- The Learning Center at Port Isabel High School needs to be fully utilized and provide more comprehensive learning and training services which are available in the evenings and weekends.
- The tax base of Point Isabel ISD is reaching its ceiling of \$1.50 per \$100 of valuation since it is now at \$1.36. This situation will limit the district's ability to expand and to maintain its physical and technology infrastructure while limiting its options to attract more qualified faculty and staff.
- A shared concern is what happens to Port Isabel's students who graduate and move on to other educational options. What is there to draw them back to this community in terms of employment and other social opportunities? This city could be facing a "brain-drain."



- The majority of the faculty at Point Isabel ISD is in need of graduate work beyond their bachelors. The area universities need to develop and maintain a full-time inventory of graduate programs which are delivered after school hours and on weekends for this faculty. A “just-in-time” approach which is not present at this time should be considered through the development of a collaborative plan between regional institutions of higher education and the school district.
- This region has many assets, the primary being its weather and the natural resources that surround Port Isabel both on land and in the Laguna Madre and Gulf of Mexico.
- This city needs to expand its recreational industry to support tourism.
- There are several barriers here: lack of land to build and expand current businesses or to draw new industries; the city does not have the fiscal wherewithal to draw industry or to create new start up industries.
- The low debt of the city is a positive if it should decide to pass a bond to finance either the development of a multi-purpose community/civic center or to expand the infrastructure within the Fingers area for the development of enterprises.
- South Shore Drive needs to be considered for development as its shrimping and light manufacturing appears to be diminishing. What to do next is a critical issue and of course, the matter of whether this area would need to be evaluated for environmental contamination which could result in a Brownsfields rating by EPA.

Feedback from the Banking Community:

This section covers feedback from interviews with the CEO’s of the banks that serve both Port Isabel and its surrounding communities.

Perspectives:

- The city needs to diversify its economy but it appears to have limited options.
- The major challenges appear to be a limited workforce from within the city which migrates to other coastal cities for employment. Also, there is a need for a plan for what happens next with the shrimping industry.
- The development of Pelicans Landing and the new Wal-Mart will create about 300 new jobs but the result will be that other employers will lose their workers to these enterprises or that these workers will come from out-of-town.
- The existing industries, such as Texas Pack [Seafood Packing] will have to diversify and accommodate new products. This company is now packing frozen vegetables and also frozen pre-cooked meals for marketing to regional and national markets.
- The available and under-utilized land at the Cameron County airport north of Laguna Vista needs to be evaluated for use as a part of a regional economic response.
- What is happening is that both South Padre Island and the city of Port Isabel promote and market themselves as completely different entities. Maybe they should work on a shared vision and combine their resources to expand their capacity to reach more visitors, clients and industries.
- Port Isabel must work to expand and maintain the capacity of its unique businesses and nurture new small businesses with support services to sustain and expand their capacity to thrive and survive.
- The construction industry, along with the city, needs to concentrate its efforts on the maintenance of many of the older properties that are located south of highway 100. The deterioration of these older properties will be blight to the city.



- Maybe the community should consider constructing an outlet mall or shopping area as a joint enterprise with the other coastal communities. There is no such outlet within Cameron County.
- The shrimps in this coastal area may have been over harvested and over-capitalized. It may be time to call a moratorium on shrimping so that the shrimping area replenish themselves.
- There will be a need for some type of transitional training and dislocated workers counseling for workers laid off from the shrimping industry and it had better be soon.
- The library is responding to the needs of the community for literacy and adult education but more needs to be done by the colleges and universities in this region.
- There is a definite need for a community center that can provide ongoing services to both the youth and elderly populations of the city.
- Port Isabel is supporting the construction of shopping venues such as the new Wall Mart and the other surrounding communities are using them but contributing little to nothing for the maintenance of the surrounding infrastructure.
- It appears that Port Isabel will continue to be a good tourist attraction but it is getting to the point that the locals can not afford the dining and entertainment that is available both here and on the Island.
- Port Isabel is the center of shopping and the Island is the center for big development and recreational activities.
- The development on the Island is attractive to “nationals” from Mexico and none of them will build in Port Isabel since there is nowhere to build.
- Spring Break is a distraction to the normal business pattern of Port Isabel and more beneficial to the Island.
- This community has a low cost of living except in property. This banker acknowledged that it was less expensive to purchase a home in Brownsville and commute daily than to buy a condo in Port Isabel.
- Generally, the majority of people that work here do not live here in Port Isabel.
- One banker commented that this Port Isabel branch had not issued a commercial or residential construction loan in the past two years.

Feedback from Economic Development Council and Historic Museum Advisory Committee:

The CBIRD team met with these advisory groups in a joint meeting to obtain their shared feedback and recommendation about economic development in Port Isabel. The major recommendations and observations that were shared include the following:

- Port Isabel needs to work from its assets: climate, schools, geography, the support of its banks, and concentrate on tourism as its core industry.
- The historic assets of this community are considerable and should receive an extensive and intensive assessment.
- The present historic district should be evaluated for possible expansion to include other areas of the community.
- At present small businesses are not receiving any type of support services and this should be provided so that existing businesses may continue and new ones are encouraged and nurtured.



- There is a need for the city to carefully consider how it can use its bond authority to expand the capacity of the city to attract more businesses to the area.
- There is a need for more technology networks within the community so that the literacy of the city may increase.
- There is a need for a comprehensive technical training resource center to serve both the students and dislocated or unemployed residents of the community so that they may find employment in new enterprises.

Port Isabel Survey Highlights:

General Community:

- A total of 68 respondents, which included residents of Port Isabel and visitors from South Padre Island, Laguna Vista, Laguna Heights and Winter Texans were in this interview cohorts. Their responses provided the following data:
- Almost 36% had a family income of \$15,000 or less, 50% had a family income within the \$20,000-\$50,000 range and only 12% made over \$50,000.
- 50% of the respondents held a perception that South Padre Island is more tourists oriented; more crowded; more seasonal; and more oriented to the spring break population than Port Isabel. 12% of these respondents view Port Isabel as a hometown, family oriented, and friendlier community.
- A third of the respondents said they like Port Isabel because it is a small community, while another third like the environment and its people.
- Still, half of surveyed persons said they would like to have more stores in Port Isabel, while another third mentioned the need for entertainment venues as well as for more health care facilities.
- Other than that, half of the respondents consider the quality of life at Port Isabel as "good" and another third see it as "very good" or even "excellent."
- However, slightly more than half of respondents were willing to relocate somewhere else. The respondents that are willing to relocate, half would move north, 24% of them relocate to San Antonio, and 20% move elsewhere within the Rio Grande Valley.

Business Community Feedback:

The CBIRD researchers surveyed 75 businesses (respondents were owners, managers and some employees) to obtain their perceptions about Port Isabel's business environment. The following were their composite characteristics:

- 63% of business surveyed had 1 to 4 employees
 - 19% between 5-10 employees,
 - 12% between 11-20 employees,
 - 4% from 30 to 80
 - Only one business had more than 200 employees: HEB.
- 19% of the respondents believe that Port Isabel needs more advertising, 16% shared that the city needs more stores/shops/restaurants/hotel (an orientation toward the tourist industry), 13% held the opinion that the city has to improve its beautification endeavors, 7% said that the city needs more entertainment-family oriented activities, and another 7% said they need more tourists and customers.



- 23% believe that Port Isabel has a very home oriented environment while South Padre Island is oriented toward tourism, 20% held a perception that wealthy people live on the Island, 14% believe that there is more business activity on the Island, while 11% of the respondents believe that there is more year round business activity in Padre Island while business activity on the Island is more seasonal.
- A third of surveyed businesses do not use computers in their management or general operations.

For detail survey results, please see *Attachment B and C*.

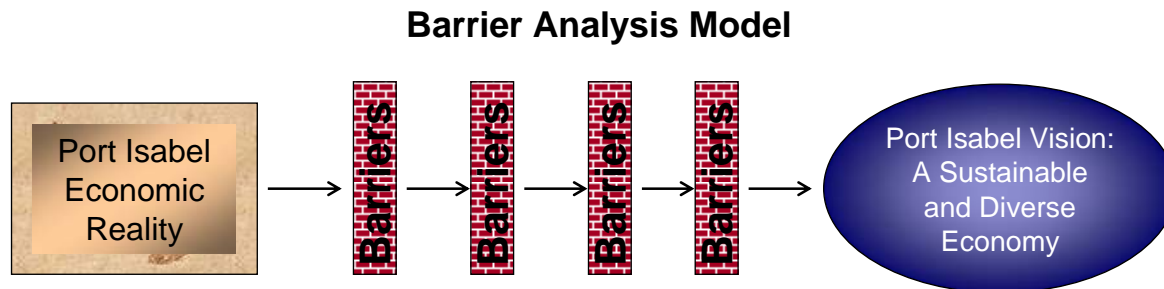
PLAN

The data that has been collected and presented in other sections of this report provides an extensive reference base to generate several “strategic action items” for the review and consideration of the City of Port Isabel. The contractor will not be providing an economic development plan since to do so is out of standard practice for this type of project. For the contractor to provide such a plan would mean that it would have an integral and accountability base ongoing role in the implementation of the plan. What will be provided are several targeted action goals and public policy recommendations for the day-to-day administration of the city and its elected leadership to consider as part of its short and long term strategic planning.

As a precursor to these action items it is necessary for CBIRD to present a “barrier analysis” that is grounded in the data that was generated by this study and its corresponding inventories. Maria A. Mach, in **The Dynamic Analysis of Barriers to Entry as a Task for an Intelligent Tool** (mach@manager.ae.wroc.pl) as presented at the 2004 Informing Science and IT Education Joint Conference in Rockhampton, Australia on June 25-28, 2004. Mach posits that there are many definitions of barriers to entry in the literature but that the most simple of all is, “a barrier to entry means everything that makes entry to a branch or market space difficult for economic entities.” By pursuing this study and other economic development initiatives, the City of Port Isabel has defined itself as an economic entity in that its leadership wishes to identify the essential elements of where the community is and where it needs to go.

To address such a task, CBIRD proposed the following Barriers Analysis Model which present as the input [Port Isabel’s Economic Reality] which consists of the data that has been previously analyzed and presented in this report. The Barriers are those that the research team has identified as a result of its analysis of the status as conveyed by the data, survey and interviews which were conducted in the vibrant environment of the community. The third essential element of this model is the Port Isabel Vision: A Sustainable and Diverse Economy, which surfaced as a result of the many conversations and interactions that the research team had with the city’s political, educational, and business leadership.

Figure 3.



Source: UTB/TSC – Cbird, 2005.

Mach reiterates five key essential elements that Michael E. Porter of Harvard has previously set forth in 1999 that should be considered as one looks at economic data to ascertain barriers to economic development. These are:



- Barriers to entry:
- The role of suppliers
- The role of buyers
- The role of substitutes
- The role of rivalry between competitors

These elements are present and very evident in Port Isabel. Each one of these elements will be reviewed individually as they relate to this community in the context of the current economic reality that was evident to the researchers:

Barriers to Entry: Port Isabel is attempting to diversify its economic base and create additional industry clusters and corresponding employment resources for its workforce as it enters a phase of its development. Some of the barriers here are:

- The community is essentially land locked on all four geographic points as has been previously noted. It has no available land in such quantities that it can use to market itself as a viable site for new industries to start up or for out of state industries to relocate to.
- This community does not have an available native workforce to employ in its various venues. Some of the business community and bankers openly stated that Port Isabel's workforce went to the Island and that it imported many of its workforces from the surrounding coastal communities that are within a thirty mile radius of the city.
- The city has a diminished manufacturing capacity and its major shrimping boat manufacturer shut down its operation within the last ten years. Also, there are insufficient commercial rated facilities/properties on the market for any new enterprises.
- The city's leadership must be willing to accept the global nature of economic development and share control of economic development initiatives with companies that are headquartered outside of the city. [When Wal-Mart and HEB started to build and expand their capacities, the loss of local control began and will continue as other companies will want to have a greater say in economic development policies and practices within Port Isabel].

The Role of Suppliers: The suppliers in a typical industry provide the raw materials to continue the development of a product or service. In the case of Port Isabel, when evaluated as an economic enterprise, this component provides several considerations, among those being:

- The city is very dependent on human resources for its main industry, tourism. That is the core essential supply component in the supply chain for its enterprises.
- The city's supply of human resources is limited in that its enterprises have to recruit or bring in its labor supply [the workers] for surrounding coastal communities.
- The city's supply of human resources is also migrating outward to work in South Padre Island.
- The city will compete for these human resources with other coastal communities as the region demand for workers continues to expand, particularly in the service industries. For example, there are two Wal-Marts opening within a twenty-four mile radius of each other, one in Brownsville and the one in Port Isabel. These two stores will have sufficient openings that Port Isabel residents will have more employment options since the city's store will assume 150 workers and may import workers from other cities such as Los Fresnos, San Benito, Laguna Heights, and Laguna Vista.
- There will be competition for the city's limited human resources as other enterprises come on the scene such as the Pelicans Landing and the expanded HEB grocery store.



- The supplier base of human resources will also be threatened in the public schools as its faculty base will be recruited by other regional communities and some even further as Houston, Austin, San Antonio and Dallas.
- The human resources supply from industries that are dissipating such as those in shrimping and related port industries will need to be invested in as a human capital venture. These workers will need to acquire new or upgraded skills so that they can make a transition to new and emerging jobs in this community.

The Role of Buyers: The buyers of the city's enterprises will be mostly tourists and visitors who come specifically to visit the city or are under their way to South Padre Island. The barriers here are:

- The buyers need to be attracted early on in the marketing process. There is some effort at a marketing plan but the city has a limited resource in its chamber of commerce operation which is not adequately staffed to meet the needs of the various commercial enterprises and relies too much on volunteers.
- Buyers of Port Isabel's services and products are coming from surrounding communities to use its shopping venues such as Wal-Mart and HEB but contributing little to the tax base to offset the continuing infrastructural needs of the city.
- The sustainability of those that have a product or service to sell to potential buyers is threatened in that there is no evident support service base to nurture and sustain these businesses so that they may grow and be competitive with similar businesses on the Island or in the surrounding communities.
- The buyers, that were available to purchase manufactured products, are disappearing as the city's capacity to remain viable as a manufacturing center dwindles. For example at one time Port Isabel was one of the nation's leaders in manufacturing of trawlers for the shrimping industry but now the Zimmerman property is replete with abandoned boats, materials and residue from that era since there are no boats in production.
- The city of Port Isabel is not even a member of the Brownsville, Matamoros and South Padre Island Alliance [BMSA] which was created to market these three binational communities and to create a "brand name" for this region [exclusive of Port Isabel]. This region will supposedly be called the Rio Gulf Coast and this brand name will be used in marketing and advertising campaigns to draw tourists and other interested individuals, such as investors, to the region. These are the potential buyers of Port Isabel's enterprises and that the city is not part of this consideration should be a source of concern to its leadership.

The Role of Substitutes: In economic terms, substitutes are those products or services that are put in place when the "real thing" is not available or in limited supply. The issues here are:

- That the "real thing" here is the City of Port Isabel cannot allow any substitute to its "market niche" which is becoming more anchored to tourism. Port Isabel must continue to define itself as the South Texas City by the sea and use that distinction in all communications. Brownsville markets itself as the city by the sea but it is not on the coast.
- The city needs to make sure that it stands firm as a community with a historical heritage and a defined role as a tourist destination with many assets that are not available elsewhere on the lower south Texas Gulf coast.
- The city must not allow substitute to its sea industry and historical characteristics and should develop a brand name of its own which is continually marketed within and outside of the region.

The Role of Rivalry between Competitors: There is no doubt that Port Isabel, as a community enterprise, is in an ongoing rivalry with South Padre Island and other coastal communities. All of these communities are vying for the same customer base: tourists and visitors as well as potential investors. This rivalry has been amplified recently by political, legal or public issues that fuel this rivalry. Among those issues are:

- The proposed construction of another causeway to the Island which would run parallel to the Queen Isabella



Causeway is a point of contention between the leadership of these two cities which are divided by a two mile span of water and connected by one bridge.

- The view held by each community about each other. The Island is viewed by Port Isabel residents as a tourist outlet and for the rich. While Port Isabel is viewed as place to live, raise families and provide workers for the Island tourist based industries.
- The exclusion of Port Isabel from a region marketing strategy [previously discussed in this report] may lead to isolation and exclusion from other regional initiatives.
- The public and private leadership of South Padre Island is taking the lead in addressing the issue of a medical/health facility in this part of the south Texas Gulf Coast. It is imperative that the leadership of both cities meet and work on a common and shared response to this critical issue.

Proposed Strategic Economic Development Action Items:

The industry niche and economic development driver for this community, from all indications, will be tourism and a few corollary and auxiliary enterprises [to be discussed later in this section]. The data that has been collected and the barriers that have been identified lead the CBIRD research team to propose the following action goals [not in order of importance or preference] to guide Port Isabel's Strategic Economic Development Planning:

Goal One: To develop a marketing plan which is based on its tourist attractions and disseminate those assets on a continuous and sustainable cycle on a regional, state, national and international basis.

Goal Two: To make the historic nature of the community a major focus of this marketing strategy [this item will be discussed in the succeeding section].

Goal Three: To work with regional environmental resources such as those from the state and national agencies to identify and market the natural outlets in its immediate proximity as part of its assets.

Goal Four: To create an environment for residential construction that is balanced between high cost development on its north side to the refurbishing and remodeling of older homes that are deteriorating in its south side, especially along South Shore and Mexiquito.

Goal Five: To use much due diligence in any analysis leading to the use of its flexible debt base to generate bond to incur debt to build or develop properties for public use or to attract/sustain private initiatives.

Goal Six: To develop or maintain construction and development policies and practices which are considerate of the unique ecology within and outside of the boundaries of the city.

Goal Seven: To develop supplemental educational and training programs in collaboration with the University of Texas at Brownsville and Texas Southmost College, Texas State Technical College and the Point Isabel School District, which maximizes resources, located at Port Isabel High School.

Goal Eight: To develop a shared strategy with the Port Isabel/San Benito Navigation District which responds to the downturn in the shrimping industry and to identify the critical components of "what comes next?"

Goal Nine: To develop a shared infrastructure action plan that involves all client communities of the Laguna Madre Water District which takes a balanced approach to development and is normed to limited water and sewage disposal resources.

Goal Ten: To conduct an environmental scan of manufacturing and other industrial support properties along South Shore to determine potential "EPA Brownfield's" that would present a problem so these properties become part of a development effort by either the city or private investors.

Goal Eleven: To develop a small business enterprise center in collaboration with the University of Texas at



Brownsville and Texas Southmost College that provides continuous technical assistance and support to existing and new businesses so that they may be competitive and survive.

Goal Twelve: To initiate an educational consortium at the Point Isabel ISD that is a collaboration of the University of Texas at Brownsville, Texas State Technical College and the University of Texas-Pan American. To provide an on-site graduate program and technical training to expand the number of PI ISD faculty that have a master's degree and to increase the technical employability skills of the local workforce.

Goal Thirteen: To create and maintain a regional enterprise zone at the Cameron County Airport that involves the other coastal communities in the development of businesses that make use of the mostly abandoned and under-utilized facilities and which would expand employment opportunities for area residents.

Goal Fourteen: To appoint and convey a regional planning strategic taskforce which includes representatives of surrounding vested communities and stakeholders to develop a "Shared Vision for Economic Development in the Laguna Madre Region." [There appears to be an absence or evident understanding or commitment to the fact that all of these communities have inter-locked and linked economies.] The One Region-One Shared Future Model needs to be in place if these communities are to thrive together or suffer individual economic downturns.

Goal Fifteen: To consider the construction of a multi-purpose community center which is technologically grounded and which can also serve to host small to medium size seminars and conferences. To build a convention center type facility might result in a competing enterprise with South Padre Island and also a recurring financial strain due to ongoing operational and management services.

Goal Sixteen: To conduct a feasibility study to guide the planning of a regional medical service facility and operation to serve both Port Isabel and coastal community residents.

HISTORIC PRESERVATION:

Historic preservation, as a component of economic development, is a strategy that requires much more time, effort and resources than were available in this particular endeavor. The tasks involved with this type of assessment require the expert involvement and participation of individuals with a diverse background in architecture, anthropology, history, demographic, planning, urban design and public policy. The CBIRD team addressed some of the requested tasks on a limited basis due to the absence of resources and time to put together the aforementioned team of experts. We estimate that this historical assessment on its own would take a minimum of six months and would cost at least \$100,000 to complete the work to standards. That was not feasible at this time. What is evident to CBIRD is that this city, through the work and effort of Mr. Edward P. Meza, Director of Historical Preservation, has developed some very focused and appropriate guidelines to guide historical development in this historic community. The Design Guidelines for Historic, New Construction and All Properties within Historic Districts is an excellent starting point for a comprehensive assessment and environmental scan of the historic inventory of Port Isabel.

CBIRD's research team walked the streets and drove through each neighborhood of this community and has the following observations [refer to attached map] to make at this point:

- At present the city does not have sufficient resources to implement a comprehensive historical preservation strategic plan with a highly qualified and committed professional as Mr. Meza as the sole staff. The volunteer advisory committee provides an excellent reference point but notwithstanding their passion, it all comes down to financial resources and expertise to make it happen.
- While Port Isabel can trace its historical roots to the early 1500's and as such is replete with properties and sites that may have "potential historical significance." The operative term here is "potential" because while a property may meet the 50 years of age requirement, it might not have any historic significance. To-date there are only four properties in Port Isabel that have a historic designation: 1.] the light house, 2.] the Queen Isabela Hotel, 3.] the Champion Building and 4.] the Port Isabel cemetery on Houston and North Shore Drive. Photographs of properties that may be potentially historic are attached.



- The designation of the Port Isabel Merchant Districts may be a good first step in using the current historic district as the nexus for linking certain properties in each district that have historic significance and which could be assessed for such designation.
- The area south of Hickman Avenue, to Tarnava Street and south to Monroe Street and then west to Cisneros Street has many properties, mostly residential, that have potential historic significance. The fact that these properties are residential may present a challenge since any designations or modifications of the homestead could place a financial burden on the homeowners.

A preliminary environmental scan of the city indicates that there are several properties on the following streets in the north and northwest sector of the city that have potential historic significance:

- North Shore Drive
- Polk
- Summit
- Yturria
- Gomez

Submerged land in the Laguna Madre off Houston and east of Maxan and Garcia Street facing east off the Pirates Landing Seafood Restaurant.

The process by undertaking the type of assessment that is being considered is both rigorous and policy driven by the due diligence requirements of the Texas Historical Commission [THC][see <http://www.thc.state.tx/historicprop/hpcodes.html> for guidelines, policies and procedures. The design guidelines which have been adopted and defined by Mr. Meza and his workgroup are a good starting point for evaluating structure but the work to do may involve the choice of which of four designations the city is directing its efforts to obtain. National Register of Historic Places which is a federal program administered in Texas by the THC in conjunction with the National Park Service. According to THC's website the following are the general guidelines which make a distinction between the different types of historic designation for properties under review:

- The National Register of Historic Places is a federal program administered in our state by the THC in coordination with the National Park Service. Listing in the National Register provides national recognition of a property's historical or architectural significance and denotes that it is worthy of preservation. Buildings, sites, objects, structures and districts are eligible for this designation if they are at least 50 years old and meet established criteria. Plaques are available, but not required, for this designation. Recorded Texas Historic Landmarks (RTHLs) are properties judged to be historically and architecturally significant. The THC awards RTHL designation to buildings and structures at least 50 years old that are judged worthy of preservation for their architectural and historical associations. Participation in the Official Texas Historical Marker process is an integral part of the RTHL designation.
- State Archeological Landmarks are designated by the THC and receive legal protection under the Antiquities Code of Texas. Listing in the National Register is a prerequisite for State Archeological Landmark designation of a building.
- Historic Texas Cemetery designations are issued by the THC. Cemeteries or burial sites that are at least 50 years old and worthy of preservation for their historical associations can receive this designation. A special medallion and marker are available, but not required, for this designation.

Applicable Regulations:

- National Register designation imposes no restrictions on property owners. Those receiving grant assistance or federal tax credits for rehabilitation projects, however, must adhere to certain standards. With a National Register designation, the property receives extra consideration before any federal projects, such as highway construction, are undertaken. To nominate a property, the owner's consent is required.



- Recorded Texas Historic Landmark designation helps preserve the state's historically and architecturally significant resources. Property owners planning exterior changes to these buildings must notify the THC 60 days in advance of changes to allow time for consultation with THC. Unsympathetic changes to these properties may result in removal of the designation and historical marker. To nominate a property, the owner's consent is required.
- State Archeological Landmark designation stipulates the property cannot be removed, altered, damaged, salvaged or excavated without a permit from the THC. This designation encourages preservation and ensures that resources that cannot be preserved are at least properly documented. The designation of State Archeological Landmarks on private land is recorded in the county deed records and is conveyed with the property when sold. To nominate a site or building on private property, the owner's consent is required.
- Historic Texas Cemetery designation is an official recognition of family and community graveyards and encourages preservation of historic cemeteries. The designation imposes no restrictions on private owners' use of the land adjacent to the cemetery but provides for the recording of the cemetery into the county deed records as a historically dedicated property worthy of preservation. To nominate a cemetery, the owner, who is considered a trustee of the land dedicated for cemetery purposes, will be notified, although the owner's consent is not required.

There is an obvious need to continue this component of the economic planning activities, which has been initiated by this contractor. In order to fully address the scope of work that is currently under consideration, this historic assessment and environmental scan needs to be guided by a comprehensive economic development plan that results from this report. CBIRD is willing to work with the city's administration to identify potential funding sources, develop the proposal and put together a research team which is consistent with the charge and regulations that guides such historical evaluations. This team would involve other regional institutions including representatives from the College of Architect at both UT-Austin and Texas A&M University along with members of UTB's history department.

Photo Tour of Port Isabel's Historic Inventory

Designated Historical Buildings and Sites





31 Prospective Historical Sites











4 Prospective Historical Commercial Sites





ATTACHMENT A: Available Land Map [Please insert here]





ATTACHMENT A1: *Port Isabel Available Commercial Lots and Buildings*

Name	Margarita Mama's Grill & Bar
Address	823 N. Garcia
Telephone	Fax (956) 565-1089
Terms	For Sale
Parking Spaces	47
Handicap Spaces	Yes
Adjacent Business	American Legion Post 498 (Next Door) Restaurant Mexiquito, Pet Grooming "Hug me Tender", Gencho's Bar(Across the Street)
Photograph	


Name	Twin Diesel Service
Address	826 Garcia / 416 W. South Dr. Marina Service
Telephone	543-5801/ 943-1112/ 943-2648
Terms	For Sale
Adjacent Business	Gencho's Bar (Next Door) Sea Sun Hair Design (Next Door)/ Meats seafood food store
Photograph	




Name	Complete Water System L.L.C
Address	323 S. Shore
Telephone	Wells Real Estate: 761-6403
Building Size	13,000 sq. ft.
Terms	For sale
Price	495,000
Multiple Floors	No
Adjacent Business	Family Home
Photograph	


Name	No sign
Address	Adams & Garcia
Telephone	Jaime: 943-1152
Building Size	22 by 50 = 1100 sq. ft.
Terms	Lease
Price	600 dep. /656mo
Multiple Floors	No
No. Parking Spaces	2-3
Adjacent Business	Emergencies Freight (Next Door) / Storage Rooms
Photograph	




Name	Charrito's Restaurant	
Telephone	434-9026/ Paulino-772-9864	
Building Size	8,000 sq ft.	
Terms	For sale by owner	
Price	595,000	
Multiple Floors	Yes-two	
Adjacent Business	Constable (back), City Hall (West), 100 hwy (main street) post office across street	
Comments	2nd floor apt or office spaces	
Photograph		

Name	Mata's Grocery	
Address	607 Seashore South Shore	
Telephone	943-2200	
Building Size	2500-300 sq. ft.	
Price	169,000	
No. Parking Spaces	10+	
Adjacent Business	W.B.P Ship Prod. (acroos street)	
Photograph		




Name	Restaurant at Yacht Club
Address	Yturria and Gomez
Telephone	956-943-1301
Building Size	3000 sq ft
Terms	2800/mo.--3800/mo 2 rooms
Minimum length	1 year
Adjacent Business	Houses
Comments	2 dining rooms seat 75 people
Photograph	

Name	Shell Harbor Center
Address	1200 Hwy 100
Telephone	943-3660
Adjacent Business	Medical Clinic, HEB block, Pharmacy, Video
Comments	the haul also available "garage with office in back"
Photograph	



Name	No Sign: Big Building Plaza Square
Address	Chula Isabel & Manautou
Telephone	761-5100
Building Size	8000 sq ft
Price	650,000
Multiple Floors	yes -2
Adjacent Business	Los Charritos (across), First National Bank (across)
Comments	1 bedroom apts.
Photograph	

Name	Court Yard
Address	1710 Highway 100, Las Palmas Shopping Center
Telephone	(361)668-4543/(361)943-6061
Adjacent Business	Radio Shack, Cellular, Subway (next door)
Photograph	




Empty Buildings

Name	Lighthouse
Address	Maxan 8 Tarnava
Prior Business	Country Premature Candle Co.
Adjacent Business	Coffee Shop
Comments	Italian Restaurant
Photograph	

Name	Gulf Seafood
Address	Queen Isabella & Tarnava
Adjacent Business	Art Gallery
Comments	Next to Queen Isabella/empty lot in the back
Photograph	

Name	Fire Station (former)
Address	Longoria & Houston
Adjacent Business	Laundry Kwik Wash (back)
Comments	Houses across Houston Street/ Public Building (abandoned)
Photograph	



Name	No sign
Address	201 Musina & Maxan
Multiple Floors	No
Adjacent Business	Abandoned Storage rooms (back)/ arcade (across street), game room, First National Bank
Photograph	

Name	No sign Auto Motive Shop
Address	Maxan & Yturria & Musina
Adjacent Business	Twins Beauty Salon (next door) 943-2625
Comments	Abandoned Facility (dilapidated)
Photograph	

Name	Rex Cleaners
Address	113 Queen Isabella Blvd.
Adjacent Business	Housing Project (next door)
Comments	Empty Office & J&L Refrigeration
Photograph	




Name	No sign
Address	115 Queen Isabella
Multiple Floors	No
Adjacent Business	Rex Cleaners (Closed)
Comments	J&L Refrigeration
Photograph	

Name	No sign
Address	Queen Isabella & Longoria
Adjacent Business	Barber shop /Beauty Salon
Comments	Lost Galleon (Across street Longoria)
Photograph	

Name	Lighthouse Chiropractic
Address	103 Queen Isabella Blvd.
Multiple Floors	No
Photograph	



Name	Lot for sale (Commercial)
Address	Queen Isabella, Champion
Telephone	541-4955
Adjacent business	Joseph O'brian Health Clinic (back) RVP across street
Photograph	

Name	Lot for sale (Commercial)
Address	Queen Isabella, Champion
Telephone	9956) 792-0165 or 943-6800
Adjacent business	Motel Casa Rosa (next) Gas station across street
Photograph	



ATTACHMENT B: Port Isabel General Community Survey (Residents, Tourists, Visitors)

Port Isabel General Community Survey (Residents, Tourists, Visitors)

Conducted on December 20-31, 2004

1. What do you like most about Port Isabel?	Number	Percent
small town/community	29	30.9
environment/atmosphere	13	13.8
people	12	12.8
near water	11	11.7
everything	7	7.4
weather /climate	5	5.3
fishing	4	4.3
good restaurants/food	4	4.3
business/work	3	3.2
school/football	2	2.1
entertainment/(pool hall; spring break)	2	2.1
nothing	1	1.1
lived here all life	1	1.1
Total	94	100

2. What do you like least about Port Isabel?	Number	Percent
nothing/like it all	13	21.7
not enough stores/facilities	7	11.7
spring break/tourists/traffic	7	11.7
too small/(size)	7	11.7
Police Officers/politics/admin	6	10
no work/low income/bad treatment of workers	5	8.3
no entertainment/recreational activities	4	6.7
street problems/no sidewalks/always fixing/palm trees	4	6.7
no transportation	1	1.7
growth	1	1.7
too expensive	1	1.7
no marketing	1	1.7
smell of fish	1	1.7
weather	1	1.7
everything	1	1.7
Total	60	100

3. What would you like to have (i.e. goods, services, facilities, amenities, etc.) at Port Isabel for your convenience?	Number	Percent
more stores	26	48.1
recreational activities/entertainment	12	22.2
Nothing	5	9.3



hospital/clinics	4	7.4
bus out of city	2	3.7
a house	1	1.9
government offices	1	1.9
funeral home/cemetery	1	1.9
fire pit rings on beach	1	1.9
city services	1	1.9
Total	54	100

4. What should city leaders do different in this town?	Number	Percent
nothing	12	25.5
good community orientation/listen to people/be involved	6	12.8
be honest/fair	5	10.6
make it clean and attractive	5	10.6
more businesses/economic development	5	10.6
fix all streets/parking at beaches/stop light on champion st.	4	8.5
more recreational activities	3	6.4
more commercialism and tourism/marketing	2	4.3
more services/buses for elderly/benefits for town	2	4.3
educational activities	1	2.1
leave locals alone	1	2.1
hospital	1	2.1
Total	47	100

5. If you were to pick the 8 most important issues affecting Port Isabel, what order would you give them?	Number	Percent
education	23	16.0
economy	23	16.0
Health and Healthcare	23	16.0
families and youth	22	15.3
environment	18	12.5
public safety & crime	15	10.4
transportation	8	5.6
art, culture and recreation	8	5.6
community center	4	2.8
Total	144	100.0

6. How is the quality of life in Port Isabel?	Number	Percent
good	28	45.9
excellent	10	16.4
very good	10	16.4
fair	8	13.1
poor	5	8.2
Total	61	100



7. What are the differences between Padre Island and Port Isabel?	Number	Percent
tourism on island/crowded/growth on island/more habitable/visitors/seasonal/spring break	15	25.0
economy/prices/more business/more expensive on island/money/island for wealthy people/cost of living/commercialized	12	20.0
Port Isabel is a hometown/homey/family oriented/residents/friendlier	7	11.7
more entertainment on island	4	6.7
more work on island	4	6.7
nothing	3	5.0
everything	3	5.0
young people/people	2	3.3
good fishing on island/ocean	2	3.3
police/services no good	2	3.3
bridge	1	1.7
better homes	1	1.7
Port Isabel has schools	1	1.7
maintained clean	1	1.7
quieter on island	1	1.7
Port Isabel is cheaper	1	1.7
Total	60	100.0

8. If you had the opportunity to move to a different city or state would you move?	Number	Percent
Yes	28	51.9
No	26	48.1
Total	54	100.0

Where?	Number	Percent
Up North	13	52.0
San Antonio	6	24.0
Somewhere in the Valley	5	20.0
Dallas	1	4.0
Total	25	100.0

9.- Demographics:		
Year of birth	Number	Percent
20's	14	20.6
60's	12	17.6
70's	11	16.2
50's	11	16.2
40's	7	10.3
16-19	7	10.3
30's	6	8.8



Total	68	100
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Gender	Number	Percent
Female	43	63.2
Male	25	36.8
Total	68	100

Employment	Number	Percent
Employed	30	42.3
Retired	21	29.6
Unemployed	11	15.5
Other	8	11.3
Disabled	1	1.4
Total	71	100.0

I am a:	Number	Percent
Port Isabel resident	34	60.7
Laguna Vista	12	21.4
Padre Island resident	7	12.5
Other	3	5.4
Total	56	100.0

I am a:	Number	Percent
Winter Texan	8	89.0
Visitor	1	11.0
Total	9	100.0

How many children are with you	Number	Percent
0	26	39.40
2	12	18.20
3	11	16.70
1	9	13.60
4	4	6.10
10	2	3.00
6	1	1.50
7	1	1.50
Total	66	100.00

Your Income	Number	Percent
From \$30,001 - \$50,000	13	31.0
Less than \$10,000	10	23.8
From \$20,001 - \$30,000	8	19.0
From \$10,001 - \$15,000	5	11.9
Over \$ 50,000	5	11.9



From \$15,001 - \$20,000	1	2.4
Total	42	100.0

ATTACHMENT C: Port Isabel Business Community

Port Isabel Business Community

Conducted on December 20-31, 2004

1. Type of Business?	Number	Percent
Restaurants/Fast food	15	20.0
Gift shops/Ice cream shops/Fishing shops/Tour Company	12	16.0
Grocery Store/ Liquor Store/ Market	6	8.0
Clothing Store/Dollar Store/Video Store	6	8.0
Banks	6	8.0
other	6	8.0
Gasoline Station/ Convenient Store	4	5.3
Home Service/ Flooring/ Furniture Store	4	5.3
Auto Parts/ Mechanics	4	5.3
Medical/Chiropractor	3	4.0
Hotel/Motel	3	4.0
computers/ electronics	3	4.0
Laundromat/Cleaners	2	2.7
Beauty Salon/Barber	1	1.3
Total	75	100.0

3. How many Employees does this business currently have?	Number	Percent
3	13	17.8
2	12	16.4
4	11	15.1
1	10	13.7
5	6	8.2
7	4	5.5
6	3	4.1
13	3	4.1
14	3	4.1
10	1	1.4
12	1	1.4
15	1	1.4
20	1	1.4
30	1	1.4
40	1	1.4
78	1	1.4
200	1	1.4
Total	73	100.0



4. Provide three things that would improve Port Isabel's business environment?	Number	Percent
other	19	25.3
More Advertisement	14	18.7
More Stores/shops/ restaurants/hotels	12	16.0
Improve city environment/Beautification of city	10	13.3
More Tourism/customers	5	6.7
More entertainment/family activities	5	6.7
Every thing is good	4	5.3
Government Involvement/marketing director/stronger chamber	3	4.0
no answer	3	4.0
Total	75	100.0

5. I am:	Number	Percent
Owner	29	39.7
Manager	24	32.9
Employee	17	23.3
Other	3	4.1
Total	73	100.0

6. What is the difference in doing business at Padre Island and Port Isabel ?	Number	Percent
P.I. has home environment/ S.P.I for tourism	15	23.4
Wealthy people live on Island	13	20.3
other	10	15.6
More Business on Island	9	14.1
Business is year-round on P.I./Business is seasonal on the Island	7	10.9
No Difference	4	6.3
More shopping areas on S.P.I	3	4.7
P.I. more relaxed, laid back calm	3	4.7
Total	64	100.0

7. Does this business have computers?	Number	Percent
Yes	50	68.0
No	23	32.0
Total	73	100.0

8. How do you use them?	Number	Percent
Business Related (Point of sale, Billing, Estimates)	48	68.6
no use of computers	18	25.7
Personal Use (e-mail & Internet)	3	4.3
Other	1	1.4
Total	70	100.0

