

Summary of Recommendations

Scoring & Implementation Timeline

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| 1. Retail Recruitment Activities | 8.6- within the next 6-18 months |
| 2. Restructuring of the Economic Development Corporation | 8.3- within the next 6-18 months |
| 3. Aggressive Pursuit for "A School of Tourism" | 8.0- within the next 18 months |
| 4. A Master Plan for Development of Waterfront Properties | 5.9- within the next 30 months |
| 5. Additional Emphasis For Sales Tax Revenue Increases | 6.4- within the next 18-30 months |
| 6. Annual Event for Commercial Realtors/Residential Realtors | 6.7- within the next 18-30 months |
| 7. Major Medical Emergency Clinic | 8.5- within the next 6-18 months |
| 8. A Community Wide Beautification Initiative | 8.0- within the next 18 months |
| 9. Small Business Assistance/Development | 7.0- within the next 18 months |
| 10. Community Wide Hospitality Training | 7.4- within the next 18 months |
| 11. Community Center Project | 9.1- within the next 6 months |
| 12. Proactive Marketing Campaign Spearheaded by EDC | 6.6- within the next 18-30 months |
| 13. The Emerging Artisan Community | 5.5- within the next 30 months |
| 14. Task Force Assigned to Monitor Offshore Oil Exploration | 6.6- within the next 18-30 months |
| 15. Initiative for Additional Housing | 8.4- within the next 6-18 months |
| 16. Development Plan for Specific Sites | 6.1- within the next 30 months |
| 17. Long Term Development Plan for Highway 100 Entry into city | 7.3- within the next 18 months |
| 18. Extension of Entertainment Corridor Along Maxan | 7.9- within the next 18 months |
| 19. International Alliance for Economic Development Objectives | 6.2- within the next 18-30 months |
| 20. Economic Development Staffing/Outsourcing | 8.9- within the next 6-18 months |

Recommendation No. 1

A set percentage of the annual Economic Development budget should be earmarked for retail recruitment/development activities. Because of the tremendous influx of tourists and the traffic that is generated, this is a natural objective that will only enhance the overall Economic Development mission via increased sales tax revenue.

Factored into the above should include yearly participation in the ICSC tradeshow (International Council of Shopping Centers) that is held in Las Vegas each May. This is the largest and one of the most effective forums for meeting with retail operations; developers; and other individuals engaged in the retail industry.

In addition to attending ICSC and regional tradeshow, a section of the EDC website should be dedicated to retail recruiting. This section would include available (vacant) commercial buildings; available land for development; greatest (top ten) retail needs with the community; and a showcase of the most recent retail developments. Success influences more success and highlighting new projects is a significant means of marketing.

8.6, Implement in 2009

Recommendation No. 2

There are several significant changes that need to be made within the structure of the Economic Development Corporation that will greatly enhance the community's development activities. Several of these will require an amendment to the bylaws. The suggested changes are as follows:

- A. Change the reporting procedure in order to allow both staff members to be accountable to the EDC Board, making them employees of the corporation.
- B. Too much budgetary emphasis is being placed on community projects with not enough emphasis allocated to recruitment, development activities.
- C. The physical location of the corporation to visitors and prospects should be significantly improved. A highly visible presence is strongly recommended.
- D. The external marketing assistance should be more focused on the development and promotion of an interactive, professional website in English and Spanish.
- E. Ongoing/recurring training and professional development of the staff should be budgeted annually. In addition, the enrollment of Board Members at the Economic Development (one week) Basic Course should be an available option to interested parties.

8.3, Implement 2009

Recommendation No. 3

With tourism being one of Texas' leading industries each year, coupled with Port Isabel's attraction to tourists, a college campus for the specific dedication to tourism and hospitality should be pursued. The presence of such an educational institution would also be a direct source of providing a trained and skilled workforce to area employers. A school of this type would also attract more investment and service support businesses to the city.

A proposal could be initiated with area college and universities initially to determine interest levels before extending the search outside of the Valley. The EDC could explore a partnership which could include assistance with land acquisition and location. Port Isabel's ideal setting for such a facility would be a win-win scenario for students; faculty; and the community in general.

8.0, Implement 2009-2010

Recommendation No. 4

With the impending decline and possible disappearance of the shrimping industry from Port Isabel's south beach area, the re-development of this area would be a catalyst for future economic opportunities. A master plan evaluation of this entire area could possibly present several alternatives for future development. One possible scenario which would compliment Port Isabel's present appeal would be the construction of a complex similar to the Kemah Boardwalk or San Antonio's Riverwalk. Both of these attractions are proven successes and have contributed significantly to the economic vitality of the two cities.

This would be a comprehensive undertaking and the necessity of producing a master plan would be essential in the long range planning process. The property is too strategic to be isolated and not included in Port Isabel's future prosperity.

Recommendation No. 5

Due to an array of variables, the forecast for increased revenues to the city from property taxes is not encouraging. This is the case that even in the past ten years, assessed valuations have increased by 249%. In light of this, it makes an even more compelling argument to continue to develop an expanding sales tax base. The Economic Development Corporation can direct its recruitment focus in the area of motel and hotel properties which are also needed for the growing tourism activity. To enhance the potential for success in this area, the EDC should consider the following:

- A. Determine the most attractive 2-3 locations and attempt to secure options in order to control the price.
- B. Develop a marketing piece that is specifically targeted for motel and hotel properties. Demographics would include traffic counts; seasonal highs; special events; limited competition; and appealing locations with direct highway access.
- C. Initiate an aggressive marketing campaign by contacting developers for hotels and motels as well as franchise operators for desired properties. Consider the range of opportunities from full service to economy budget.

6.4, Implement 2009-2011

Recommendation No. 6

Port Isabel enjoys the close geographic proximity to one of Texas' premier tourist destinations... South Padre Island and supplies much of the manpower to supply their businesses. There are many apparent advantages to this. One of these is to have access to the commercial real estate community of South Padre. By sponsoring an annual event to attract these individuals to visit Port Isabel, the city can greatly expand its influence into the island. This would be an ideal event for the Port Isabel Chamber of Commerce to sponsor and promote. The key to maximizing the effectiveness of the event is to showcase available sites and properties that outside realtors can assist (for profit) in finding end-users.

An annual evening event in the early spring timeframe to showcase 8 to 10 properties is recommended, preferably on a Thursday. The owners/listing agents of the selected sites may also want to contribute to offset the cost of the event. A great deal of creativity and an appealing "carrot" are required to maximize the participation.

6.7, Implement 2009-2011

Recommendation No. 7

Port Isabel is in need of a major medical clinic staffed by a physician that is capable of dealing with moderate emergencies. Presently, patients have to be transported to one of four area hospitals that range in transport time between 20 and 30 minutes. Over the past twelve months, EMS has arranged 91 calls per month with approximately 40% of these (or 36) requiring transporting to one of the four hospitals.

It is recommended that a discussion commence between Valley Regional's new CEO initially (because of the close working relationship that Port Isabel has with this hospital) and with the EDC to determine if such a facility could be constructed. This is not to say that the other three hospitals should be excluded from the process. The initial discussion can quickly determine the interest level and what the community of Port Isabel would need to do in order to enhance the implementation.

8.5, Implement 2009

Recommendation No. 8

One area that could help Port Isabel a great deal for a minimal cost effect is launching a community wide initiative to make the city more aesthetically pleasing for everyone. This could involve the following activities, but are not limited by any means to just these:

- A. Adoption of key street corners for planting of shrubs and flowers by the private sector.
- B. Strict code enforcement to deal with eyesores and areas that do not conform with city regulations.
- C. A master plan(long range) to extend sidewalks throughout the community that can be phased over several years.
- D. A master plan (long range) to plant trees throughout the community. (This is a project that possibly could be interacted with the school district if then sufficient interest.)

8.0, Implement 2009-2010

Recommendation No. 9

The Economic Development Corporation can take a proactive vote in assisting small business owners. This process has already started with the exploration of a Revolving Loan Program which is an excellent vehicle to assist these businesses with low interest loans. In addition to this excellent beginning, the following list could be most beneficial to the smaller businesses of Port Isabel:

1. Sponsor a workshop to provide professional guidance for internet marketing and the use of “facebook”. This would also include the website itself and how to maximize sales returns from an effective one.
2. Conduct a 2 hour forum utilizing an outside speaker related to customer service activities. This forum would cover in addition to all aspects of customer service; displays for maximum effectiveness; hours of operation; guidelines for repeat businesses; and most effective forms of advertising and marketing.
3. One of the most effective tools that is “sweeping the nation” is the establishment of a BNI chapter (Business Network International). This is a professional program that is predicated on a highly effective network of business referrals. If a BNI chapter does not already exist in Port Isabel, the EDC could initiate one in getting started.

7.0, Implement 2009-2010

Recommendation No. 10

One of the primary areas that sets San Antonio apart from other cities is the total community focus on customer service and hospitality involving tourists and visitors. It is most apparent that an emphasis has been placed on this objective and the entire city has endorsed it. This goes hand-in-hand with the fact that San Antonio is the destination for many of Texas' premier tourist attractions and the city's welfare and economy depends heavily upon this source of revenue.

Port Isabel can embrace a similar philosophy by interacting with a number of organizations including the Point Isabel School District. Hospitality training can be introduced to the entire community utilizing an educational approach. In addition to receiving formal training by key individuals, workshops can be conducted for the business industry linked to tourism. The school district can also play an important role with curriculum introduced at the earliest possible grade level to focus on this area.

Tourism remains one of Texas' leading industries and those municipalities such as San Antonio that 'go the extra mile' to enhance repeat visits by visitors and tourists will only enrich the economy and the benefits derived from this expending industry.

7.4, Implement 2009-2010

Recommendation No. 11

For the past nine years (and even prior), a great deal of emphasis has been placed on the creation of a new community center. The EDC has been quite proactive in escrowing nearly \$1M to fund this project. With several sites under consideration, it is our recommendation to bring this project to a successful conclusion within the next 3-5 years. It is also our opinion that the EDC should not be the only financial entity supporting this effort. Once the site location has been finalized, the private sector should be contacted to possibly locate a major benefactor that could fund the balance thereof, receiving 'name recognition' in the process.

It is also our recommendation that the EDC office be considered as a permanent fixture of the community center that would lend itself to greater visibility throughout the city and the region. An additional use of the facility would be to conduct workshops and training sessions for the various aspects.

9.1, Implement 2009

Recommendation No. 12

Port Isabel may well be one of the last remaining “best kept secrets” in Texas. In order to market the community both aggressively and effectively, a comprehensive marketing campaign that is directed at tourists; entrepreneurs; and new residents should be considered for implementation during the next fiscal year. It is our recommendation that an ad hoc committee of no more than 5-7 individuals, all who possess expertise in this area, be appointed to make a formal recommendation to the EDC Board of Directors by August 1st. Items to be considered by the committee should include (but are not limited to the following):

- A. Selective billboard advertising.
- B. An interactive, bi-lingual website with an “online web cam.”
- C. Specialty magazine advertising such as fishing and nature publications.
- D. Advertising in Monterrey.
- E. A new slogan to brand an exciting and positive image, eg. “America’s Flyway.”
- F. A definitive attraction such as a boardwalk; saltwater fountains; naval ships; etc., to name several examples. (Chattanooga, TN is now best known for its aquarium.)
- G. New seasonal events to attract tourists.

The final analysis of the committee will also be dependant upon funding and what the EDC/private sector can allocate to the project.

Recommendation No. 13

Port Isabel is an ideal setting for cultivation and promotion of a world class artisan community. This presents a number of opportunities for regional and state events not to rule out international ones. In order to develop this activity, the community through either the chamber to the EDC should commence planning for an art show in the October-November timeline. An inventory listing of local, regional and state artists could be developed in order to prepare an invitation mailing. Each year the community elects to host an event such as this, a different theme could be highlighted in order to attract audiences having varying interests.

There is a strong potential have to see this evolve into quite a large event/festival. Port Isabel's appeal and proximity to a large population base could well develop a bi-monthly attraction that would appeal to a range of different audiences. The August fishing tournament is well established and the spring "fling" for college students; birding activists; and foreign nationals is also drawing a large influx of visitors. The November World Championship Shrimp Cook-off and the January Causeway Run & Fitness Walk are well established events. Developing a major fall event and possibly one for February would round out the year providing for a full four seasons of activity for the motel; restaurant; and retail businesses.

5.5, Implement 2009-2011

Recommendation No. 14

Because of the recent deep water oil discoveries in the Gulf of Mexico, the City of Port Isabel could replace its economic losses due to the decline of the shrimping industry with benefits derived from these exploratory finds. One estimate that was provided indicated that these discoveries could generate revenues impacting Port Isabel for the next 25 years. Because of the complicity and the extended time frame of this activity, it is our opinion that a permanent Task Force be assigned to work closely with the Navigation District in an attempt to maximize Port Isabel's economic opportunities.

The area located approximately 120 miles offshore from Port Isabel (being referred to as "The Great White Hub") is estimated at producing 2B gallons of oil at a rate of 130,000 barrels per day. Port Isabel is the closest port able to supply all of the needs to this area over this extended period of time. It would be our suggestion that the Task Force could make quarterly recommendations to the EDC (as well as progress status reports) in order to keep the EDC abreast of these activities and to direct future initiatives in order for Port Isabel to receive maximum benefits. Immediately what comes to mind is affordable housing(particularly apartments) and retail services that would supply all of the needs to the ships and oil rigs associated with this activity. The Task Force could also perform a 'due diligence fact finding' in determining what typically the needs are for similar projects.

6.6, Implement 2009-2011

Recommendation No. 15

One of the more recurring items from both the interviews and the community survey was the concern over the number of available housing and apartment units that are affordable and appealing to the general public. Several individuals who have relocated to Port Isabel in the previous two years expressed that they were unable to locate satisfactory accommodations in Port Isabel and as a result had to move out of the city. Because of the aforementioned, we recommend that the EDC identify one or two developers in these areas (housing and apartment development) and assist the developers in finding and obtaining desirable sites to build upon. Because of the current condition of the economy, this may be more difficult than in normal times. However, if the need presently exists and we have reason to believe it does, the process should commence at the earliest opportunity.

Initially, it would be suggested that the EDC send out a general letter of interest to commercial realtors and developers throughout the Valley. A good source of these individuals would be to discuss with other Economic Development professionals in the region recent projects that would be of interest to Port Isabel. Based upon the responses from the Community Assessment, the primary interest appears to be the need for a new, quality apartment complex that has many amenities including a pool; fitness center; and possibly a daycare facility.

8.4, Implement 2009-2010

Recommendation No. 16

The EDC should always have a specific site (whether owned, optioned; or available) that it can market and promote for desired use. One site that was identified during the Community Assessment is a 72 acre site that was formerly utilized for an oil refinery. Pending a complete clearance by the EPA on the environmental condition of the property, this possibly could be a potential site for either industrial or multifamily residences.

Land Owned by the Garcia Family on the south side of Highway 100 near Wal-Mart may also be a candidate contingent upon working out an agreement with the Family regarding the extension of infrastructure throughout the site. In addition, there may be other sites available that have potential for commercial development.

In the absence of a strategic plan for a specified end use, the community will be subject to development that may not be in the long term best interest of the citizens. It is our recommendation that the EDC assess the existing inventory of available sites; determine which are the most marketable as to location and price, and then attempt to reach an agreement with the property owner as to marketing thereof. Once this has been accomplished, a designated section of the website can be utilized for promotion.

6.1, Implement 2009-2011

Recommendation No. 17

One area of concern that is having an adverse impact on the perception of the city is the visual appearance on Highway 100 as vehicles enter the community from the west. The EDC should develop a long term plan (5 years or more) that will place restrictions on a designated area of highway as properties change ownership. Landscaping requirements; signage; and exterior lighting are all components of an ordinance that will need to be strictly adhered to and enforced as conditions warrant. In the interim, it would be a constructive exercise to meet with the existing property owners in order to explain the city's interest in making the area more attractive. Incorporation of strict covenants typically can raise property values as a direct result.

The city's planning department can work closely with the EDC in drafting a proposed ordinance for this area. There are numerous communities that have encountered similar challenges. The Texas Municipal League could possibly be instrumental in advising Port Isabel of municipalities that have implemented ordinances that address highway properties. TXDOT could also be of assistance in this regard.

7.3, Implement 2009-2010

Recommendation No. 18

Extending a pedestrian friendly corridor west on Maxan Street will increase the potential for increased tourism and serve as a catalyst for additional commercial activity. A master plan should be considered that would incorporate attractive lighting; sidewalks; benches; and flowerboxes that would make the area more inviting to pedestrians. The long term (ultimate goal would be to produce a multi block corridor that would be an extension of the lighthouse district with an emphasis on entertainment and specialty shops.

Should the EDC be more receptive in spearheading this plan, other organizations such as the Chamber of Commerce could be called upon to assist in fundraising; grant applications; and participation in the formation of an ad hoc committee to oversee the project. Many communities employ a Main Street District to oversee such activities; however, in the absence thereof, the City and EDC should consider requesting the assistance of the University of Texas at Brownsville in implementation of the project.

This is a long term proposition that could contribute significantly to Port Isabel's economic vitality by making the downtown area more appealing to visitors, providing them more reasons to extend their stay in the City.

Recommendation No. 19

Because of Port Isabel's location and its rich cultural history, an alliance with the City in either Mexico or Brazil for economic development objectives should be considered. The reason for these two countries varies. Mexico is already providing a steady stream of tourist to the Valley and its outward investment focus on South Padre Island is apparent. Brazil, on the other hand, is one of the world's emerging economies that will also be seeking foreign outward investment. Port Isabel's Hispanic community is an ideal setting for such an alliance.

It has been proven throughout the United States repeatedly that sister city partnerships do (in fact) stimulate Economic Development activities. The Economic Development Corporation can 'take the lead' in conducting the search. Typically, these alliances result from one of the following contacts...

(a) A locally-foreign owned business; (b) A personal contact (relationship) of a community leader; (c) The assistance of Sister Cities International (d) The assistance of a foreign chamber of commerce, and (e) The assistance of a college or university. There are also other means of accomplishing this; however these are the most common.

6.2, Implement 2009-2011

Recommendation No. 20

The Economic Development Corporation staff currently had two professional individuals representing the organization. Because of the extensive number of potential opportunities and projects that are presently before the EDC, time management of the staff can be leveraged by incorporating a number of significant strategic changes. Some of these are as follows to be considered:

(A) More effective utilization of regional allies in developing projects and writing grants.

(B) Continuing development of the Economic Development network inclusive of commercial and industrial realtors and developers.

(C) Quarterly communication with (A) and (B) through an Economic Development (concise) newsletter or other means of written contact that has a high probability of being read.

(D) Utilization of an ad hoc committees and task forces to deal with certain activities. The EDC Board of Directors can play a role in this respect.

(E) The use of consultants to represent Port Isabel at certain tradeshow; conferences; and other forums that are of special interest to the EDC.

8.9, Implement 2009