



Comprehensive Economic Development Strategy

2011-2016

South Texas Economic Development District

© 2011 by South Texas Economic Development District, all rights reserved.

**South Texas Development Council
P.O. Box 2187
Laredo, TX 78044-2187
(956) 722-3995**

Table of Contents

- I. Introduction
- II. Background
 - a. Population Growth
 - b. Job Growth
 - c. Unemployment Rate
 - d. Educational Attainment and Wealth
- III. Analysis of Economic Development Problems and Opportunities
- IV. CEDS Goals and Objectives
- V. Community and Private Sector Participation
- VI. Projects, Programs, and Activities
- VII. CEDS Plan of Action
- VIII. Performance Measures
- IX. References

South Texas Comprehensive Economic Development Strategy
2011-2016

I. Introduction

Every five years the South Texas Development (STDC) is required to update its Comprehensive Economic Development Strategy (CEDS). This document is done in order to meet the requirement of the Economic Development Administration, U.S. Department of Commerce, for the planning funds received by the South Texas Development Council as a designated Economic Development District. The STDC Region consists of the four county area of Jim Hogg, Starr, Webb, and Zapata Counties. EDA requires that CEDS be done at a minimum of every five years, with annual updates as appropriate.

As stated by EDA, the CEDS document “is designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economies.” Not only the CEDS analyze and provide data of the regional economy, but it also “serves as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources.” In a region such as STDC, the CEDS is the only regional plan for growth.

The STDC’s CEDS is not intended to provide a “how to manual” for fostering growth and development for any single entity within the STDC region; rather it serves as a reference point for the current state of the regional economy and establishes regional goals and objectives in order to channel projects and investments whose implementation will result in economic diversification and competitiveness. In order to accomplish the purpose of the CEDS, the STDC works with its Strategy Committee made of up local/regional organizations, local governments, chambers of commerce, workforce development organizations, development and industrial foundations, institutions of higher education, private sector representatives, and trade associations. The role of the committee is to serve as a liaison and act as a barometer of economic growth by assessment of economic indicators, trends, opportunities, weaknesses and to serve as a spring board and identify regional goals and objectives. The STDC provides staff support to the Strategy Committee by gathering data, analyzing economic trends, and provide technical assistance in the identification of projects and investment opportunities based on the established goals and objectives, as well as

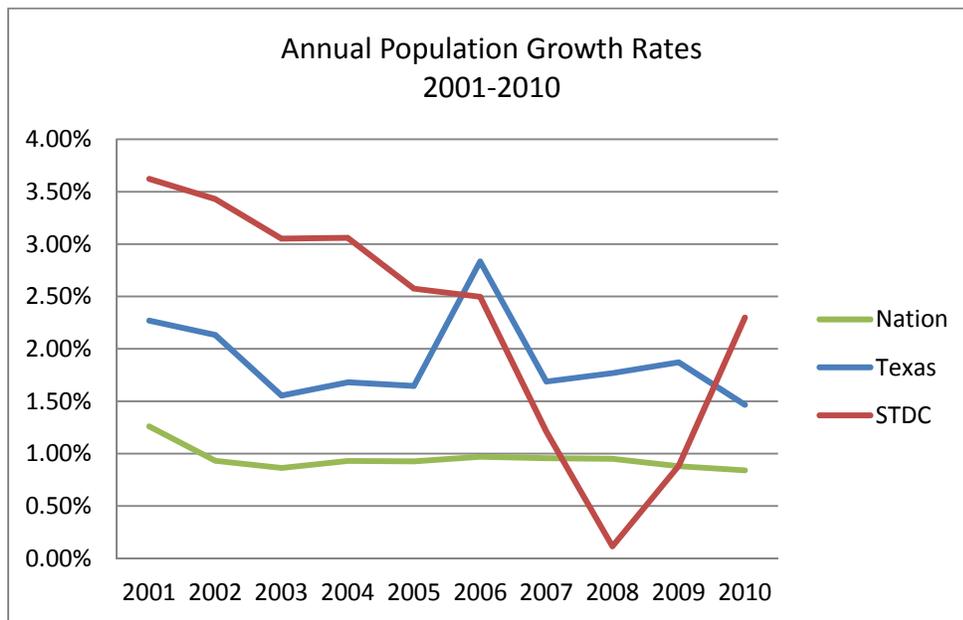
South Texas Comprehensive Economic Development Strategy
2011-2016

provide technical assistance to interested parties seeking funding from the Economic Development Administration and/or other state or federal grant sources.

II. Background

Population Growth

The STDC area is a region whose growth has been widely impacted as compared to the State of Texas and U.S. The region gains an average of 6,641 individuals per year, and up until 2005 had a higher growth rate than that of the State of Texas and the U.S. Recent years, 2006-2009, had a lower growth rate than that of Texas, with 2008 having almost no growth at 0.11%. In 2010, however, the region turned around and had a larger growth rate than that of Texas and the U.S. at 2.30%.ⁱ



Since 2000, the population in the STDC area has increased by 25% from 264,177 to an estimated population of 330,590.ⁱⁱ Over the past decade the majority of growth has occurred in Webb County where the population grew by 29.61%. The following table shows the growth for each county in the region from 2000 to 2010. As the table demonstrates

South Texas Comprehensive Economic Development Strategy
2011-2016

each county is has undergone different levels of growth over the past ten years. Perhaps the most notable is Jim Hogg County which only grew by 19 persons within the time period.

Population Change by County 2000-2010ⁱⁱⁱ				
County	2000 Population	2010 Population	Numerical Change	Percentage Change
Jim Hogg	5,281	5,300	19	0.36%
Starr	53,597	60,968	7,371	13.75%
Webb	193,117	250,304	57,187	29.61%
Zapata	12,182	14,018	1,836	15.07%
STDC	264,177	330,590	66,413	25.14%

The population projections for the STDC region shows that the area will have a 17% increase in population by 2015. This scenario is from the Texas State Data center and takes into account migration data from 2000-2007, in order to project population estimates. All counties within the region will experience growth in the next five years according to this scenario.

Population Projections, 2010-2015^{iv}			
County	2010 Population	2015 Population	Percentage Change
Jim Hogg	5,300	5,543	5%
Starr	60,968	74,062	21%
Webb	250,304	288,968	15%
Zapata	14,018	16,934	21%
STDC	330,590	385,507	17%

Job Growth

Job growth in the STDC region is expected to increase by 31% from 2008 employment by industry to 2018. The table below summarizes job growth by 2-digit North American

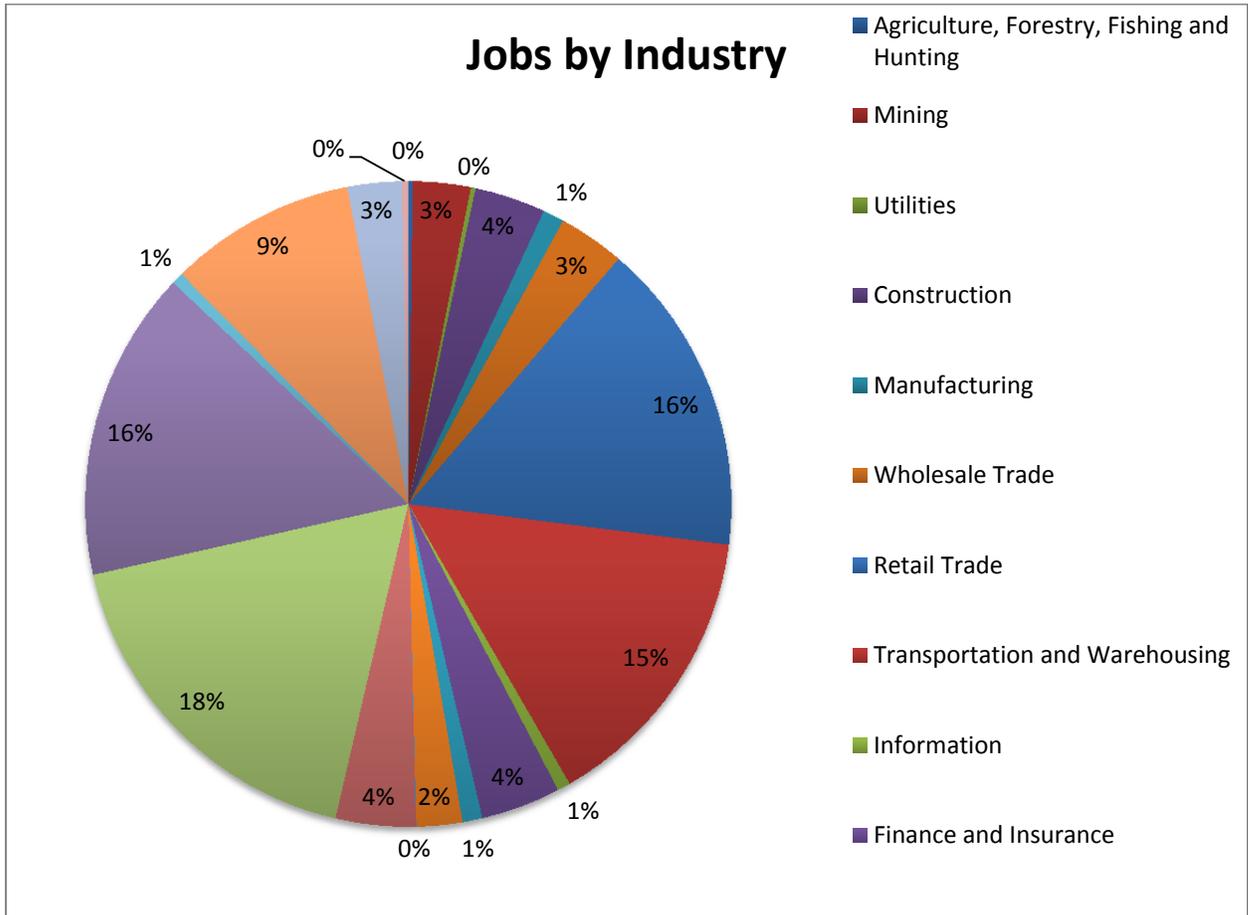
South Texas Comprehensive Economic Development Strategy
2011-2016

Industry Classification System (NAICS) Codes. The three fastest growing industries are expected to be Health Care and Social Services, followed by Management of Companies and Enterprises; and Public Administration. Similarly the industry that is expected to add more jobs by 2018 is Health Care and Social Service with 15,100 jobs.

Job Growth by Industry 2008-2018^v					
NAICS Code	Industry	2008 Estimate	2018 Projection	Numerical Change	Percentage Change
11	Agriculture, Forestry, Fishing, & Hunting	570	510	-60	-10.53%
21	Mining	7,440	6,460	-980	-13.17%
22	Utilities	610	580	-30	-4.92%
23	Construction	9,160	10,530	1,370	14.96%
31-33	Manufacturing	2,760	2,760	0	0.00%
42	Wholesale Trade	8,560	9,650	1,090	12.73%
44-45	Retail Trade	40,640	45,980	5,340	13.14%
48-49	Transportation and Warehousing	37,850	44,830	6,980	18.44%
51	Information	1,680	1,680	0	0.00%
52	Finance and Insurance	10,290	12,020	1,730	16.81%
53	Real Estate Rental and Leasing	2,580	2,870	290	11.24%
54	Professional, Scientific, and Technical Services	5,900	6,960	1,060	17.97%
55	Management of Companies and Enterprises	90	120	30	33.33%
56	Administrative and Support and Waste Management and Remediation Services	10,300	12,420	2,120	20.58%
61	Educational Services	46,070	58,700	12,630	27.41%
62	Health Care and Social Assistance	40,130	55,230	15,100	37.63%
71	Arts, Entertainment and Recreation	1,540	1,780	240	15.58%
72	Accommodation and Food Services	24,140	30,750	6,610	27.38%
81	Other Services	6,990	8,230	1,240	17.74%
92	Public Administration	8,470	10,920	2,450	28.93%
Total	All Industries	258,140	338,220	80,080	31%

South Texas Comprehensive Economic Development Strategy
2011-2016

In total the region will have added 80,080 jobs by 2018. As demonstrated in the following chart, the largest percentage of total jobs in the region is Educational Services accounting for 18% of total jobs.



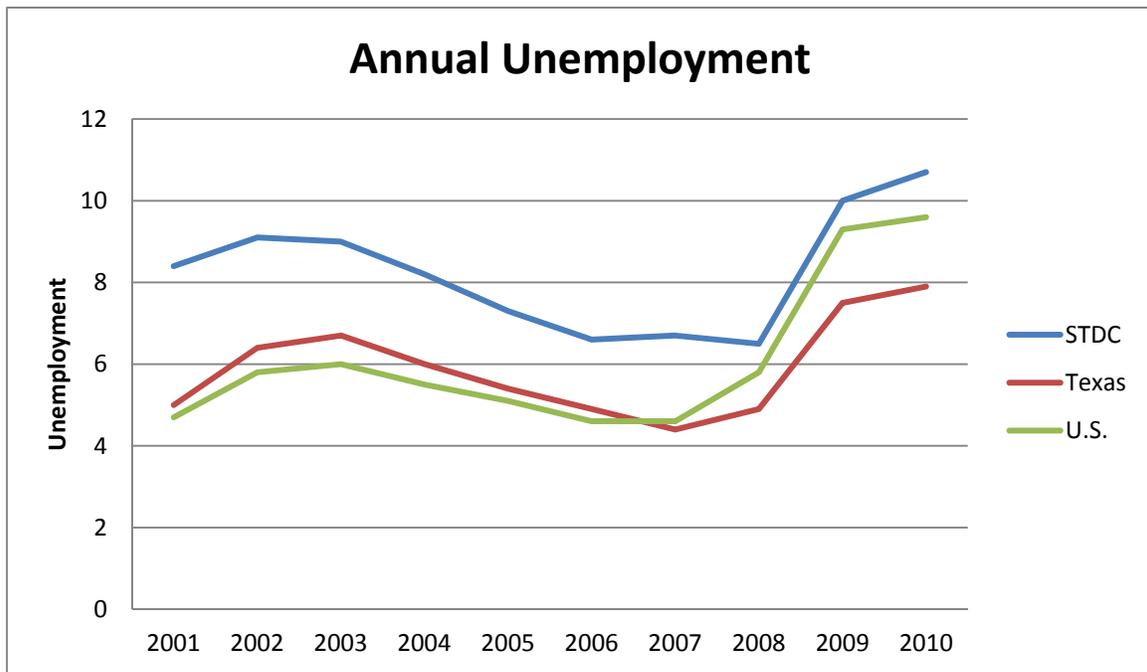
With the recent development of the Eagle Ford Shale area for extraction of oil, the Webb County area is expected to have an increase in Mining, although the Texas Workforce Commission projection shows that it is expected to have a decrease by 13.17% by 2018.

Unemployment Rate

The STDC region has experienced a large shift in unemployment in the last decade. Whereas unemployment had peaked in 2002 with 9.1% in the region, unemployment

South Texas Comprehensive Economic Development Strategy
2011-2016

reached its lowest point in 2008 at 6.5%, prior to the recession. After the recession unemployment increased up to 10.7% in 2010, which was greater than 2002 levels. During the same time period, both state and national unemployment rates remained lower than the STDC regional unemployment. In 2002 the State Unemployment Rate was 6.4% and the National Unemployment Rate was 5.8%. In 2008, when the STDC region had experienced its lowest unemployment Rate the State Unemployment Rate was 4.9%, and the National Unemployment Rate was 5.8%. Finally in 2010, when the STDC region experienced its highest unemployment rate, the State Unemployment rate was at 7.9% and the National Unemployment Rate was at 9.6%.^{vi}



Educational Attainment and Wealth

Within the STDC Region, Educational Attainment is an area that requires greater attention. A large percentage of the population (39.89%) does not have a high school diploma or equivalent (36.5% for Jim Hogg County, 53.7% for Starr County, 36.4% for Webb County, and 43.4% for Zapata County), compared to 19.6% for the State of Texas, and 14.6%

South Texas Comprehensive Economic Development Strategy
2011-2016

for the Nation. The only two counties which exceed the State and National Averages are Jim Hogg, and Zapata Counties, in terms of High School Graduates or equivalents. A Lack of basic skill sets contributes to unemployment, as well as low wage earnings. The STDC Region must implement goals and objectives that will promote K-12/16-vocational educational attainment by building a collaborative partnership with primary, secondary, and institutions of higher education, along with workforce, economic and community development organizations.

2011 Educational Attainment by Race/Ethnicity for Population Age 25+ In the STDC Region^{vii}						
Education Level	Jim Hogg	Starr	Webb	Zapata	Texas	United States
Less than 9 th Grade	18.1%	37.3%	22.5%	29%	9.8%	6.1%
9 th to 12 th Grade, No Diploma	18.4%	16.4%	13.9%	14.4%	9.8%	8.5%
High School Graduate (Includes Equivalent)	39.6%	19.6%	21.3%	29.6%	25.7%	28.6%
Some College, No Degree	14.7%	14.1%	19.1%	13.9%	22.3%	21.0%
Associate's Degree	0.3%	2.9%	6.1%	3.4%	6.4%	7.6%
Bachelor's Degree	5.4%	6.8%	12.3%	6.7%	17.4%	17.7%
Graduate or Professional Degree	3.5%	2.8%	4.8%	3.0%	8.6%	10.5%

The STDC Region's median family income in 2010 was \$33,591 compared to \$50,920 for the State of Texas and \$52,762 with the Nation.^{viii} The STDC Region's per capita income increased from \$10,125 in 2000, to \$14,597 in 2011, an increase of 44.17%. The region's per capita income also increased from 51.61% of the State Per Capita income in 2000, to 57.14% in 2011. When compared to the National Average for per capita income, the STDC regional also increased from 46.90% in 2000, to 52.29% in 2011. Poverty has also shown a significant region decreasing from 34.85% in 2000, to 22.65% in 2010. However, even in 2010, the region still maintained a higher poverty rate than the State of Texas (16.8%) and the National Average (13.8%).^{ix}

III. Analysis of Economic Development Problems and Opportunities

Considerable work needs to be done in the area of data analysis for the South Texas Region. Although extensive research has been done on local levels in and around the Laredo/Webb County Area, more research is needed in order to have accurate information to conduct data analysis in the rural counties, although Zapata County has been progressive on this front. Beginning in 2006, the Zapata County Economic Development Center began hosting workshops for the creation of its Master Plan, which was developed by The Center for Urban and Regional Planning Research at the University of Texas in San Antonio. According to the plan summary:

The first chapter of the Vision Plan defines the regional context, history and architecture of Zapata County, Texas. The second chapter offers recommendations for the future development of Zapata, San Ygnacio, and Zapata County. Guiding principles and future land-use development patterns are discussed. Recommendations are also made for the improvement of Zapata's downtown district and preservation of San Ygnacio's historic district. Future transects and circulation plans for Zapata are suggested that offer balanced development for the future. The third chapter reviews the background for the Vision Plan and includes an analysis of the demographics, circulation, housing, education and the local economy of Zapata County, the City of Zapata and San Ygnacio.^x

In addition the Zapata County Economic Development Center is currently completing a Falcon Lake Hotel and Resort Concept Study, which will also include an economic base study as well as destination resort peer analysis.

The Middle Rio Grande Border-Area Health Education Center is also currently underway conducting a comprehensive Community Needs Assessment for the Laredo/Webb County Area. According to their announcement, the needs assessment will focus on the community health and workforce needs. The goal of the assessment will be to determine the current and emerging future needs of the area, set priorities, and develop strategies to address the needs of the region.^{xi}

Finally, the South Texas Development Council (STDC) maintains economic and community data to provide context to this Comprehensive Economic Development

Strategy. In addition, the data is available to member governments, and the general public. STDC is currently working to update its web page in order to make this data easier to access.

A barrier to economic development in the STDC Region is the lack of a single organization to serve as a clearing house for coordination of local and regional efforts. Without open communication and collaboration across all aspects of regional planning, the STDC Region shall continue moving forward in a scattered manner within the larger urban areas, and little to no development for the rural areas. Many organizations currently focus on priority issues without cross jurisdictional collaboration in order to address issues at a regional level.

IV. CEDS Goals and Objectives

1. Support the need for expanding and improving the region's infrastructure, including multimodal transportation, water, sewer, and utilities.
 - a. Support the development of Transportation Infrastructure
 - b. Enhance transportation connectivity in urban and rural areas, public and private, throughout the region with emphasis on coordination for education and job access
 - c. Support the development of Water, Sewer, and Utility infrastructure in order to support new businesses, and provide first time services in rural areas.
2. Improve educational attainment and develop a globally competitive workforce
 - a. Develop a better-educated, drug-free, and high skilled workforce in the region
 - b. Coordinate with regional education and workforce development agencies to better align regional training to meet employer needs and promote alignment of economic and workforce development goals
 - c. Expand and promote K-16 education including vocational and technical career training opportunities
 - d. Increase the number of highly skilled and high wage jobs in the region

South Texas Comprehensive Economic Development Strategy
2011-2016

- e. Support the expansion and access to financial resources for academic and technical training
3. Support entrepreneurship and business development
 - a. Ensure that entrepreneurs and small businesses have access to the resources they need to start and grow, such as small business incubators
 - b. Support efforts to encourage job development, retention and expansion of major employers
 - c. Promote Micro-Loan and Revolving Loan Fund Programs
 - d. Promote and support Rural Business Development
 4. Strengthen and diversify the regional economy through a comprehensive economic development approach.
 - a. Help communities implement economic development strategies that expand existing, locally owned businesses and attract new companies
 - b. Encourage communities to adopt policies that create affordable housing options for people working in the community
 - c. Assist smaller communities in developing smaller micro-clusters that capitalize on unique community assets
 - d. Identify and promote tourism assets in the region
 - e. Promote and expand historical preservation sites
 - f. Identify resources to help rural and small urban communities to access and acquire technology
 5. Promote coordination among local economic development efforts
 - a. Serve as a regional economic development information clearinghouse
 - b. Provide technical assistance on economic development to local governments, economic and community development organizations, and the private sector
 - c. Encourage and assist all counties to develop county wide economic development plans.

South Texas Comprehensive Economic Development Strategy
2011-2016

- d. Provide a forum for sharing and discussing information and issues relating to community and economic development

V. Community and Private Sector Participation

The STDC works in partnership with representatives from government, higher education, workforce development, economic and community development, chambers of commerce, and the private sector. The following list provides a list of agencies and business that work in conjunction with the Economic Development District:

- Cities of: Laredo, Rio Bravo, El Cenizo, Rio Grande City, Roma, Escobares, and La Grulla
- Counties of: Webb, Jim Hogg, Starr, and Zapata
- Laredo Development Foundation
- Starr County Industrial Foundation
- Rio Grande City Economic Development Corporation
- Zapata County Economic Development Center
- Laredo Chamber of Commerce
- Zapata Chamber of Commerce
- Roma Chamber of Commerce
- Rio Grande City Chamber of Commerce
- Hebbronville Chamber of Commerce
- Texas A&M International University
- Laredo Community College
- UTSA-Area Health Education Center
- South Texas College
- Office of the Governor
- Texas Workforce Commission
- Texas Department of Transportation
- Texas Department of Housing and Community Affairs

South Texas Comprehensive Economic Development Strategy
2011-2016

- Office of Rural Community Affairs
- Office of the State Demographer
- Texas Department of Agriculture
- Texas General Land Office
- Texas Commission on Environmental Quality
- Health and Human Services Commission
- Texas Department of State Health Services
- Texas Department of Aging and Disability
- United States Department of Agriculture

VI. Projects, Programs, and Activities

1. Provide technical assistance and economic data analysis support, including, but not limited to:
 - Employment statistics by industry for covered employment
 - Unemployment statistics by industry for covered employment
 - Actual and projected population
 - Housing conditions
 - Building permits both commercial and residential
 - Sales Tax by industry for the last ten (10) years
 - Statements of Condition for regional banks
2. Provide economic development partners and jurisdictions learning opportunities by providing education of Economic Development basics.
3. Provide technical assistance to partners with project and grant development.
4. Provide guidance and assistance in the identification of need for infrastructure.
5. Notify AURO of any sudden and severe economic dislocations or disaster designations within the STDC Region

South Texas Comprehensive Economic Development Strategy
2011-2016

VII. CEDS Plan of Action

The South Texas Comprehensive Economic Development Strategy shall work to implement projects and collaboration through all aspects of regional planning, including, but not limited to: transportation, environmental issues, workforce development, public infrastructure development, utility development, land use, housing objectives, as well as quality of life, such as health, public safety, mitigation, and disaster planning. The STDC has active programs and provides technical assistance in the areas of Solid Waste, Mass Transit Planning, Community Development Block Grants, Criminal Justice and Homeland Security Planning, Social Services for low-income and elderly populations, and HIV Services. The South Texas Economic Development District, will work to establish a collaborative effort that will serve as the foundation for other local and regional plans, and tie together the different needs and priorities identified by local communities that could be addressed through regional partnerships.

VIII. Performance Measures

The STDC will utilize the following performance measures to evaluate the 2011-2016 CEDS:

- Number of jobs created or retained in the region
- Amount of private investment in the region
- Number of business formations or expansions in the region
- Number of requests for assistance completed for communities in the region
- Extent of participation by government, business, and community leaders

South Texas Comprehensive Economic Development Strategy
2011-2016

IX. References

ⁱ Texas State Data Center, Population Estimates

ⁱⁱ U.S. Census Bureau

ⁱⁱⁱ U.S. Census Bureau

^{iv} Texas State Data Center, Population Projections

^v Texas Workforce Commission, TRACER Industry Projections

^{vi} Texas Workforce Commission, Unemployment Rate

^{vii} U.S. Census Bureau, Educational Attainment

^{viii} U.S. Census Bureau, Selected Economic Characteristics

^{ix} U.S. Census Bureau, Selected Economic Characteristics

^x <http://www.zapatabiz.com/ZCEDC/vision-plan/ZapataFinalReport112708.pdf>

^{xi} <http://www.uthscsa.edu/cstp/areas/MidRGV.aspx>