



6

CHAPTER

Economic Development

Kingsville Master Plan

Reaching a consensus on a common understanding of economic development is the first necessary step in developing attainable goals and strategies. With this in mind, a definition is encouraged that acknowledges the importance of collaboration and partnership. Effective economic development policy for Kingsville should be judged by how well Kingsville can create a response from private investors. This response can certainly be measured in jobs, but a more inclusive — and more difficult to measure — set of metrics should also measure quality of place, business environment, and talent attraction.

Purpose & Methodology

The purpose of this element is to provide the City of Kingsville an outline of goals and strategies to promote a sustainable and vibrant economy. To do this, the City must recognize a new economic development model.

The traditional economic development model assumes that the recruitment of new businesses could be best accomplished by providing sites in industrial parks, which in turn would result in the creation of new jobs. However, an aging population and a shortfall of younger workers to replace retiring workers will lead to a national labor shortage. In fact, many small communities across the nation are already confronting these conditions. In response to this labor shortage, many companies are choosing to locate where the talent is located or willing to relocate.

“Economic Development” is ...

the application of public resources to stimulate private investment.

THE NEW ECONOMIC DEVELOPMENT MODEL

Talent – the individuals that possess the skills and values to make organizations effective.

Industry & Innovation – the companies and entrepreneurs that compose the economic base of a community.

Quality of Place – viewing the assets of a community through the eyes of the talent it wishes to attract and retain.

Thus, a community’s quality of place, its ability to attract and retain talent, and its programs to develop its own talent are every bit as important as its sites and incentives available. As a result, the new economic development model that defines TIP’s approach emphasizes **Talent, Industry & Innovation, and Place.**

The recommendations outlined in this plan are based on TIP’s experience working in communities throughout the country and applying our knowledge of economic development best practices to Kingsville’s unique situation. Our experience in economic development planning is complemented by efforts to understand the area’s challenges and opportunities through the following activities:

- A review of existing economic and demographic data, including population growth, educational attainment levels, occupational information, employment growth, major employers, and other relevant statistics for Kingsville;
- Tours of Kingsville and the surrounding region to better understand its economic development product from a real estate standpoint;
- Interviews with area stakeholders, including face-to-face interviews with business and community leaders; and
- Community feedback through stakeholder focus groups.

The report below provides a summary of the economic assessment. The assessment is followed by a SWOT analysis outlining Kingsville’s Strengths, Weaknesses, Opportunities, and Threats. The final portion of this Economic Development Element contains goals, objectives, and action steps for Kingsville to best promote economic development.

Background

Located 45 miles south of Corpus Christi, Kingsville lies in the South Texas Plains close to Baffin Bay and the Gulf of Mexico. Founded in 1903, Kingsville served as a railroad stop and commercial center for the King Ranch. Though the King Ranch remains an important economic engine in the community, Kingsville is fortunate to have a branch of Texas A&M University (TAMUK) and a Naval Air Station (NAS Kingsville), which serve as the City's two major employers.

Like many other rural communities across the nation, Kingsville has been losing population since the mid-1980s. In spite of this trend, Kingsville's economy has remained relatively robust, in terms of job growth. However, many people employed in Kingsville choose to live in Corpus Christi and other surrounding communities. With companies increasingly locating in close proximity to the labor force they need, the greatest economic development challenge for Kingsville is attracting and retaining talent.

In the interviews and focus groups conducted for this plan, participants cited a housing shortage, a poor perception of the public school district, and the lack of entertainment options and economic opportunities as the primary reasons people choose not to live in Kingsville. However, existing natural assets, historic buildings, and cultural history provide opportunities for Kingsville to enhance its quality of place and image to improve its ability to attract talent.

Economic Assessment

To understand the economic development opportunities available in Kingsville, the team conducted an assessment of the area. The purpose of the assessment was to identify Kingsville's unique economic strengths and weaknesses in the context of the wider regional and national economies from a data standpoint. The team relied on the most current and accurate data sources (proprietary and public) covering those attributes that most clearly demonstrated Kingsville's recent economic performance in comparison to similar Texas communities. The full assessment is presented in Appendix A. However, key findings are presented below.





Key Findings

Kingsville’s population growth has been relatively flat since the 1990s. Between 1990 and 2000, Kingsville’s population grew 1.2 percent to 25,575.

Employment growth, on the other hand, has been much more robust. From 2000 to 2006, employment in Kingsville grew at a compound annual rate of 3 percent (see **Figure 6.1, Employment, 2000 - 2007**). This growth was largely driven by the private sector, particularly in Education and Health Services and Professional and Business Services. At the same time, unemployment declined from a high of 6.3 percent in 2002 to 4.7 percent in 2006.

Over 50 percent of Kingsville’s labor force is employed by the service sector, which is higher than the State average of 45 percent. In contrast, comparatively few workers are employed in high-wage sectors such as finance, insurance, real estate, and information. Furthermore, Kingsville’s manufacturing sector is smaller than the State average, while its public sector is considerably larger.

In comparison to its peer communities, *Kingsville has a relatively diverse economic base*. Alice is largely dependent on its agriculture / mining sector (oil & gas field services); Beeville is dependent on its public sector (corrections); and Seguin is dependent on its manufacturing sector (Continental, Inc.).

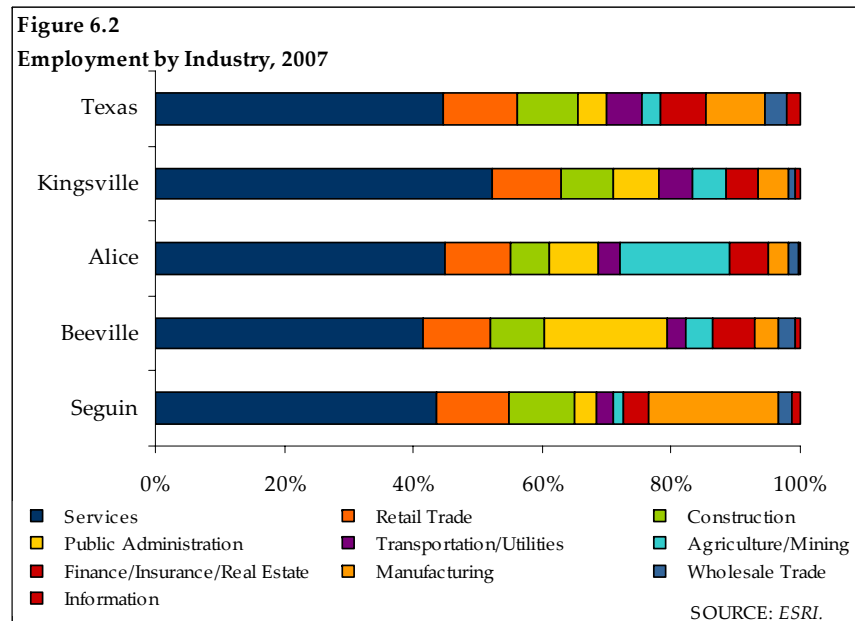
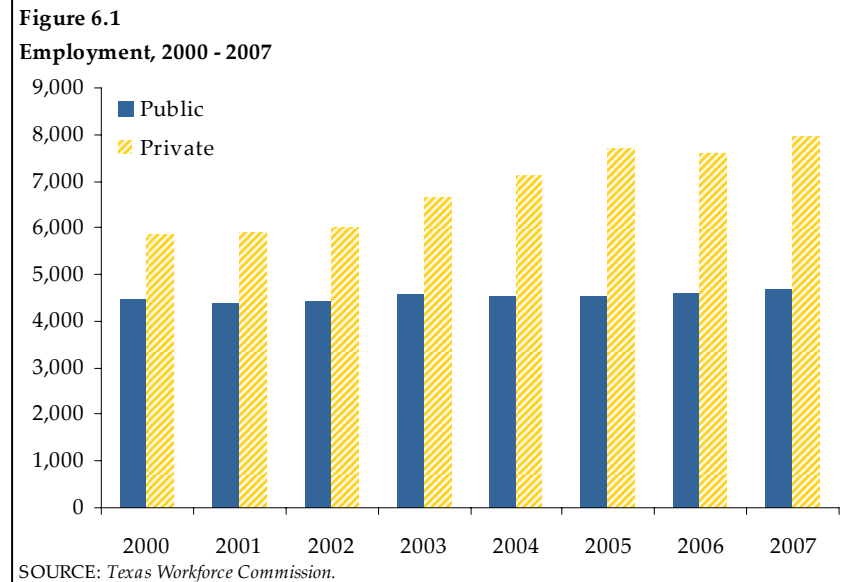


Figure 6.3, Job Migration, displays the most recent data on job migration in Kleberg County. While Kleberg County gains a significant number of workers during the day, it loses more workers to surrounding counties than it gains.

In 2000, 2,610 workers commuted from Kleberg County to surrounding counties; over 66 percent of these workers commuted to Nueces County to work in manufacturing, services, and state and local government. The average wages of these jobs in Nueces County were 15 percent higher than the average wages of jobs in the same sectors in Kleberg County.

At the same time, 2,082 workers commuted to Kleberg County. Over 60 percent of these workers came from Nueces County to Kleberg County to work in services, federal and military positions, or state and local government. This statistic demonstrates that *a significant percentage of Kleberg County's labor force chooses to live in Nueces County.*

As mentioned above, focus group participants cited the lack of housing among the primary reasons workers live in other areas and commute to work in Kleberg County.

Kingsville's housing stock is relatively old. As shown in **Figure 6.4, Housing by Year Structure Built, 2000**, most of Kingsville's housing stock was constructed before 1990. While housing starts declined in the 1980s, they dropped off significantly more in the 1990s. Thus, the majority of the houses in Kingsville are more than 30 years old.

Figure 6.3

Job Migration

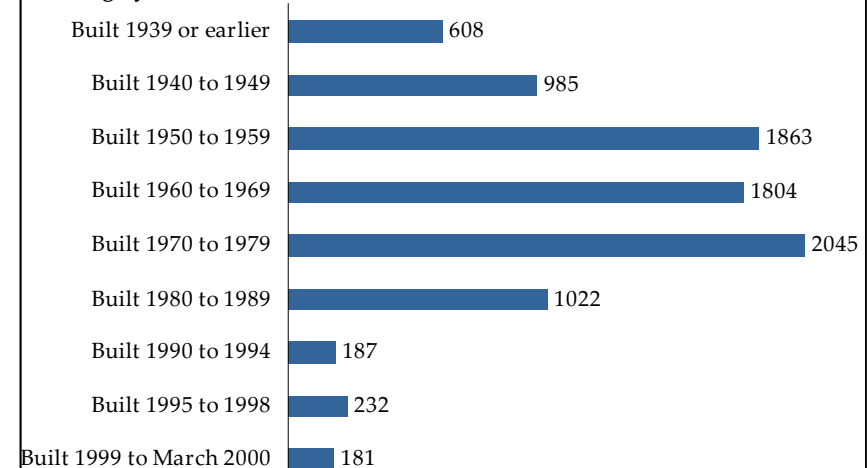
Kleberg County, 2000

County	Out-Migration	Percent	In-Migration	Percent	Net Migration
Aransas	24	0.9%		0.0%	-24
Bee	35	1.3%	65	3.1%	+30
Brooks	124	4.8%	153	7.3%	+29
Dallas	59	2.3%		0.0%	-59
Duval	50	1.9%	76	3.7%	+26
Harris	26	1.0%		0.0%	-26
Hidalgo	43	1.6%	18	0.9%	-25
Jim Hogg	19	0.7%		0.0%	-19
Jim Wells	333	12.8%	289	13.9%	-44
Karnes	29	1.1%		0.0%	-29
Kenedy	71	2.7%	31	1.5%	-40
Live Oak		0.0%	46	2.2%	+46
Nueces	1,725	66.1%	1,325	63.6%	-400
San Patricio	72	2.8%	49	2.4%	-23
Starr		0.0%	12	0.6%	+12
Webb		0.0%	18	0.9%	+18
Total	2,610		2,082		-528

SOURCE: U.S. Bureau of the Census.

Figure 6.4

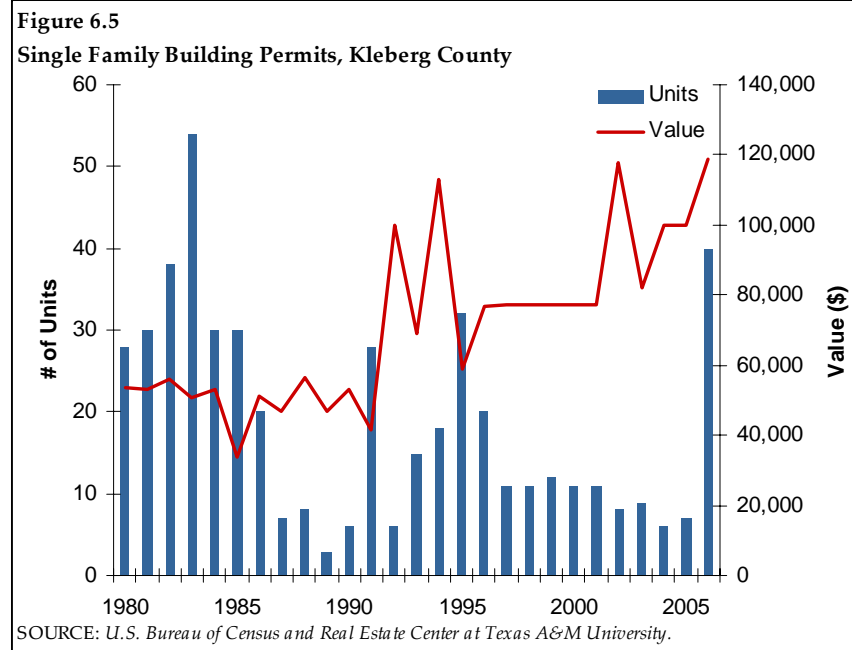
Housing by Year Structure Built, 2000



SOURCE: U.S. Bureau of the Census.

The number of building permits issued in Kleberg County demonstrates this same trend (see **Figure 6.5, Single Family Building Permits, Kleberg County**). In the 1980s, an average of 25 permits were issued annually in the County. In the 1990s, this average declined to 16 permits annually. From 2000 to 2005, an average of nine permits were issued annually. In 2006, this downward trend seemed to reverse with the permitting of 40 single-family units. The population decline, aging housing stock, and the slump in new construction in Kingsville contributes to the high housing vacancy rate in Kingsville – an estimated 16 percent in 2007. Having been vacant for years, many of these housing units are now vacant due to their poor conditions.

In summary, Kingsville compares well economically to its peer communities. Employment growth has been strong since 2000. In addition, the economy is relatively diversified and anchored by two strong employers – TAMUK and NAS Kingsville. However, capturing the 2,000 workers who work in Kleberg County but live elsewhere represents both the primary opportunity for Kingsville and the primary challenge.



Strengths, Weaknesses, Opportunities, and Threats

The consulting team conducted a Strengths, Weaknesses, Opportunities, and Threats analysis for Kingsville to create a framework for understanding the area's issues. This assessment was based on interviews, site visits, data analysis, and our experience. The following captures the major findings from this analysis.

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> ▪ Diverse economic engines (TAMUK, NAS, Border Patrol, King Ranch, Celanese) ▪ Proximity to Port and City of Corpus Christi ▪ Location in Foreign Trade Zone, HUD Zone & HUB Zone ▪ Historic Downtown ▪ Temperate weather 	<ul style="list-style-type: none"> ▪ Strengthen ties with major employers ▪ Increase trade with Mexico ▪ Retiree attraction ▪ Retention of TAMUK graduates ▪ Revitalize Downtown ▪ Pharmaceutical industry growth associated with TAMUK
WEAKNESSES	THREATS
<ul style="list-style-type: none"> ▪ Shortage of housing ▪ Inadequate infrastructure for growth, especially utilities ▪ Skilled labor shortage ▪ Lack of entertainment options ▪ Lack of community pride ▪ Lack of economic opportunity ▪ Absentee ownership of many key buildings and sites 	<ul style="list-style-type: none"> ▪ Flat or negative population growth ▪ Perception of the public school system ▪ Failure to attract local employees as residents ▪ Inability to support retail ▪ Further deferment of maintenance on historic buildings and housing stock ▪ Focus on growth outside of Downtown



Area of Focus: Goals and Recommendations

The following goals and recommendations were formulated to specifically address the key economic challenges and opportunities in Kingsville, which were identified through an analysis of economic and demographic trends influencing the area, community input, and the consultant’s expertise. Meeting these economic development goals will go far in repositioning Kingsville, setting it on a course for long-term economic growth and vitality.

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ONE: Develop, retain, and attract talent.

TWO: Stimulate the economy through business development and industry attraction.

THREE: Promote and enhance Kingsville’s quality of place.

While each of these goals was chosen for its ability to leverage distinct opportunities in Kingsville, they were also intentionally chosen for their ability to support one another. In effect, some recommendations that are placed under one goal could just as easily have been put under another due to their inherent overlap. Likewise, several recommendations in this section overlap with similar recommendations found in the Community Character element of this plan. The City of Kingsville and area economic development allies should, therefore, remain mindful that a lack of support for one of these goals may hinder progress in another. As a result, community leaders should recognize that policies cannot be implemented within a vacuum. Instead, policies and program activities should be considered within the overall context of the variety of factors that can influence long-term economic growth in Kingsville.

Develop, Retain, and Attract Talent

Redefining TALENT

The concept of talent means more than a skilled workforce. It means recruiting talented people to the community, as well as cultivating the existing talent pool represented by groups as diverse as students, retirees, and entrepreneurs. It also means ensuring that the employees and companies that have been responsible for a community's growth continue to see a reason to remain in the area.

National demographic trends, most notably the aging of the baby boomers, suggest that demand for workers may soon outstrip supply. As a result, competition for labor is expected to increase among companies, as well as communities. Focusing on the development, attraction, and retention of talent should, therefore, be an important part of any economic development strategy.

As mentioned earlier, economic development planning has traditionally focused solely on the recruitment of new businesses. Unfortunately, this approach depends heavily on large incentives, such as tax abatements, free land, and reduced costs for infrastructure services. While these types of incentives certainly remain an important part of the overall industry attraction process, most organizations stop at this point. Fortunately, these are only the most basic tools in the economic development kit.

Nurturing and attracting talent is perhaps the most fundamental issue for creating long-term, sustainable economic vitality in the 21st Century. Much of this is due to the changing needs of U.S. employers as the economy transitions from manufacturing to services. But this "talent" goal implies more than the typical workforce development and training issue. It also encompasses the idea of recruiting people.


Like many communities across the U.S., Kingsville's population has experienced significant growth of the age cohorts over 55 years of age. This trend, which is expected to continue, will result in the overall aging of Kingsville's population. To maintain a healthy and sustainable workforce, Kingsville must focus on attracting and retaining younger workers.

Education can enhance a community's ability to attract and retain this younger demographic, as well as talent, in general. The quality of schools plays a pivotal role in attracting families and employers to an area. The perception of low-quality schools can be a major deterrent to moving to a particular community. As such, a community cannot afford to ignore its public schools. Higher education also plays a pivotal role. Not only must employers be assured of access to educated and skilled workers, but also talented individuals are often drawn to places that offer access to higher education and related amenities. As a result, it is imperative that the City of Kingsville remains supportive of TAMUK, especially in light of making Kingsville a more attractive option for new residents and employers.

Recommendations:

1. Raise awareness of Kingsville’s K-12 educational assets, both inside and outside the community, to improve the perception of Kingsville ISD. A public relations campaign should be designed, in conjunction with the School District, to accomplish this goal.
2. Ensure that public school facilities portray a more positive image. The City should assist the School District in advocating for adequate funding for operations and campus improvements. A “Pride in Schools” program should also be developed to focus on facility improvements, including cosmetic enhancements.
3. Recognize and utilize University students and graduates as an important resource for strengthening student achievement in the public school system. The School District should develop a mentor and tutoring program with TAMUK students and K-12 students. The City should spearhead the creation of a scholarship program for graduates of regional universities to teach at Kingsville ISD for a minimum of two years. This program should include a stipend and possibly a housing program to enable these new teachers to live in Kingsville.
4. Work with the School District, TAMUK, workforce board, and other private stakeholders to explore the possibility of establishing academies in Kingsville ISD. Many communities have established specialized academies to improve the performance of their school system and better suit the needs of all students. These academies provide students the opportunity to choose from a variety of specializations ranging from construction to college preparatory programs. The academies should be focused on specific industries that Kingsville wants to grow.
5. Strengthen physical ties between TAMUK and Kingsville by developing a revitalization plan for the area immediately adjacent to the University and towards the Downtown. Enhancing the area around the campus of the University will improve the students’ experience in Kingsville by providing them with a wider range of housing, retail, and entertainment options in close proximity to the campus. Having more appealing commercial and residential development, as well as a greater range of “things to do” around the campus, could also keep more students on campus and in Kingsville on weekends. Not only would this mean

RAISING THE IMAGE OF KISD



Kingsville voters have approved a total of \$25 million to support the construction of a new elementary school and extensive renovations of the middle school and high school.

THE VALUE OF TAMUK



TAMUK serves not only as a major economic development asset, but also as a key to talent attraction and retention.

more students will spend more of their dollars in Kingsville, it can also foster loyalty among students towards Kingsville as they become more entrenched in the community.

6. Develop collaborative programs with the architecture, engineering, and other similar programs at TAMUK to encourage student-led projects that aid in the betterment of the community. Examples of such programs are design competitions for historic building re-use or park land design and planning, student consulting projects for area businesses or the City, internship programs with local employers, and community service programs such as Habitat for Humanity or Keep Kingsville Beautiful.
7. Support the creation of a program designed to retain TAMUK graduates and attract alumni. This program should involve the City, TAMUK, the Chamber of Commerce, and the Economic Development Council. The program could include scholarships such as the one mentioned in Recommendation 3 to place graduates with area employers and incentivize them to remain in

Kingsville after graduation. The program should also include a marketing component to establish and maintain communication with TAMUK alumni to keep them informed of changes in Kingsville, opportunities, and benefits of living in Kingsville. This can be achieved by publishing a monthly or quarterly e-newsletter to be sent to alumni and other people with ties to Kingsville. Seek support for high profile graduates such as Eva Longoria or National Football League (NFL) stars.



Stimulate the Economy through Business Development and Industry Attraction

Redefining INDUSTRY

The U.S. manufacturing industry continues a transformation that has profound effects on the practice of economic development. It is forcing us to rethink what we mean by a primary job, how we measure economic impact, and how we design incentives. This is due, in large part, because manufacturing employment continues to decline. It is no overstatement to say that an economic strategy built solely around manufacturing jobs will fail.

For this reason, our assessment of industry considers the full complement of economic activities — ranging from traditional industrial employers to entrepreneurship — as well as the physical infrastructure (industrial parks, sites, transportation, etc.) and business climate to support those activities.

Understanding the role of innovation, the opportunities for expansion of existing companies, and the best targets for recruitment are important building blocks of an economic development plan.

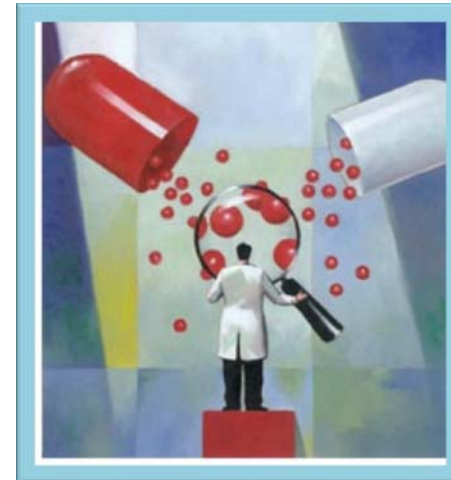
It is no secret that American manufacturers, and their host communities, have suffered greatly in the face of stiff global competition. Rural America has been especially hard hit due to its traditional reliance on low-wage manufacturing that is now rapidly migrating off-shore to even lower-wage international labor markets. The results of this struggle have littered much of the rural landscape with shuttered factories. A recognition of these wider global trends, outsider perceptions of rural Texas, and their effects on investment decisions should influence the decisions that Kingsville makes regarding industrial recruitment and other economic diversification efforts.

This is not to say that Kingsville will be unsuccessful or will not have viable options for recruiting outside industry. Regardless, local decision makers should understand that larger global economic forces present a strong headwind for *any* American community to play the traditional industrial recruitment game. Kingsville is presented with at least two additional obstacles to its current recruitment prospects: 1) limited physical infrastructure (roads, electricity, water/wastewater, and natural gas) and 2) limited supply of shovel-ready industrial sites.

Instead, Kingsville should focus on improving its economic development capacity, strengthening its primary employers and economic development assets – TAMUK and NAS Kingsville – and promoting recreation and tourism.

Recommendations:

1. Improve Kingsville's capacity for economic development by implementing necessary processes and tools. An important best practice in economic development is the creation of transparent, fast development, permitting, and prospect management processes. Having better processes allows local economic development allies to collaborate more effectively, function more efficiently, and evaluate opportunities with more success. In addition, communities have found this to be one of the most helpful means by which they gain a competitive edge in the business recruitment arena. Improved processes will make Kingsville more attractive to prospects who are considering multiple communities.
2. Identify target industries and focus recruitment efforts on these specific industries. These target industries should be tied to existing assets in Kingsville or the region and, in some cases, tied to TAMUK academic programs, such as pharmaceuticals. Once the industries are identified, a multi-faceted marketing campaign aimed at these target industries should be initiated to funnel marketing resources towards audiences that are more likely to be responsive. Such a marketing campaign should include establishing relationships with site selectors, attending industry events and trade shows, and occasional letter campaigns with careful follow-up with potential leads.
3. Initiate a strong business retention and expansion program. While recruiting new businesses is important to growing its economic base, Kingsville cannot afford to ignore its current businesses and risk losing one of them to closure or relocation. A strong business retention and expansion program should include regular visits with local employers. These visits can include formal surveys or just be informal interviews. However, they should establish a relationship with the employer and serve as a mechanism by which the Economic Development Council can ascertain any major challenges or plans for expansion, and even identify suppliers or customers who could benefit from relocating to Kingsville.
4. Promote collaboration among key economic development players in Kingsville towards a common vision and goals. The key players consist of the City, Chamber, Convention & Visitor's Bureau, and Economic Development Council. These stakeholders should convene to establish a shared vision and goals and then meet on a regular basis to update one another on their activities and opportunities for collaboration. Without a shared vision and goals that unite the entities, economic development efforts in Kingsville will not be maximized and may overlap with one another. Better collaboration will ensure that economic development efforts among Kingsville's economic development players will enhance and reinforce one another rather than work against each other.



5. Ensure appropriate infrastructure and mechanisms are in place to encourage development in areas of desired growth. In greenfield areas, ensuring that utilities are extended to these areas not only will allow the City to directly influence Kingsville’s growth patterns, but also will improve its attractiveness to businesses looking for new locations. In the historic Downtown and the area adjacent to TAMUK, a special financing district can be a helpful tool in promoting infill projects and redevelopment to enhance and revitalize these areas. A comparison of special financing districts is included at the end of the chapter.

6. Leverage the presence of NAS Kingsville to expand economic development opportunities in Kingsville. NAS Kingsville is Kingsville’s largest employer with approximately 1,100 civilians and 600 enlisted personnel. As such, the economic impact of the base on the community is considerable. NAS Kingsville contributed over \$80 million annually in payroll, procurement, and contracts to the local economy. In addition to this direct impact, the base affects the economy indirectly through sales by firms that do business with military contractors and the indirect jobs (and their associated earnings) that are produced by base employees’ spending.

This injection of dollars into the economy translates into increased tax revenues for the City and other public entities through retail sales and taxes on property owned by the residents whose jobs are created by or induced by the base. Finally, the presence of a base has many positive intangible affects on the community as military families contribute to their communities through activities such as civic involvement and volunteerism.

However, NAS Kingsville’s impact is not as high as it could be. With many enlisted personnel and their families choosing to live in Corpus Christi and other areas, Kingsville is not capturing the benefit it could if those personnel lived and worked in Kingsville. The City should strengthen its connection with the base and support initiatives to encourage military personnel and their families to live in Kingsville, realizing that education and entertainment options are top priorities for these groups. The City can do this by supporting efforts to advocate for more missions, promote more spousal work opportunities, and develop housing products appropriate for NAS Kingsville staff. In addition, the City could discuss Enhanced Use Lease agreements with the base to support business and housing opportunities on NAS lands. This is being done in several military installations throughout the U.S. who continue to fair well in BRAC decisions.

LEVERAGE THE PRESENCE OF NAS KINGSVILLE



As Kingsville’s largest employer, the base is a major economic development asset.

7. Strengthen the City's relationship with TAMUK. The University's total impact on the Kleberg County economy is estimated to be over \$38 million. In addition, it supports (directly and indirectly) over 290 jobs. While the economic impact of the University is significant, it plays a much wider role in the community as an economic development asset. The City should explore ways it could partner with the University to carry out the University's goals and mitigate the challenges it faces. In addition, the City should work to enhance TAMUK's student experience by encouraging the redevelopment of the area around the University and supporting programs that promote student involvement in the community.
8. Become a recreation and tourism destination for families, outdoorsman, bird watchers, and historians. A vibrant and profitable recreation and tourism sector can serve as a catalyst for further economic growth in Kingsville. Among its primary benefits, tourism can support the retail and hospitality sectors in an economy, create jobs, and boost tax revenues in a community. In addition, it can serve to attract residents. People often relocate to areas they have visited previously on trips and vacations, especially baby boomers looking for communities to relocate for retirement.

Kingsville should try to capture a share of the "Winter Texans" market by providing facilities and recreation opportunities desired by these visitors. Every year thousands of residents from the northern states travel to south Texas and stay for a period of one to six months. These "part-time" residents inject thousands of dollars into the local economy. Kingsville has an opportunity to capture some of this market with attractions and amenities like Baffin Bay and the King Ranch.

Tourism strategies should certainly focus on attracting visitors. However, just attracting visitors is not sufficient. Unless visitors' dollars are being captured by local businesses, their economic benefit to the City and its residents will not be fully realized. Key tourism strategies include:

- Create a tourism plan that focuses on developing tourism "products" that attract visitors, a retail strategy that provides outlets for visitors to spend money, and a marketing plan that effectively targets those groups who are likely to come to Kingsville. The City should then ensure zoning and planning protects the assets that are vital to tourism development.

SPECIAL EVENTS SERVE AS TOURISM "PRODUCTS"



Kleberg St. from 6th St. to 8th St. could be closed off to create a Downtown Market Square for special events and festivals.



- Explore the feasibility of a regional recreation asset such as a water park, extreme sports park, or other similar unique regional tourism draw.
- Explore the feasibility of developing a convention center in the community that could be used to host events and other attractions. An expo center does exist at Kleberg Park, and the City should evaluate the pros and cons of renovating the existing facility versus building a new one.
- Consider planning and hosting special events in the Downtown that could draw visitors from across the region.
- Capitalize on the City’s and County’s natural and historical assets to attract visitors to the community including the King Ranch, Baffin Bay and Escondido Creek.

Redefining PLACE

Much has been written about the importance of **quality of life** to the site selection process. Communities throughout the nation have positioned themselves by touting their advantages in this regard – good schools, safe streets, pleasant weather. We agree these factors are important. We take issue only with the narrowness of the focus. Quality of life assumes that everyone thrives in the same environment and is attracted to the same amenities. It assumes that current residents’ views of what makes a community would be shared by all.

By contrast, **quality of place** considers what is attractive to a range of residents, both old and new. The idea of quality of place accommodates growth and recognizes the benefits of change. It recognizes that one person’s “good place to raise a family” might translate into another’s “there’s nothing to do in this town.” Quality of place is about providing options, not just for current residents, but for those who will be residents in the future.

- Encourage the development of lodging facilities including hotels/motels, bed and breakfasts, cabins and camps, campgrounds, RV parks, and other stay options.
- Encourage the development of additional quality eating and drinking establishments.

Promote and Enhance Kingsville’s Quality of Place

Increasingly, companies rely on the skills and talent of their workforce to retain or gain a competitive advantage. Only recently have employers discovered that one way to tap into talented workers is by locating operations in communities with a strong sense of place. This is because communities offering a multitude of amenities are the ones attracting many of today’s skilled and talented workers. While no set definition for “quality of place” exists, the one common factor is the wide availability of choices in housing, entertainment, culture, recreation, retail, and employment.

In Kingsville, the same assets that make it a desirable tourism and recreation destination enhance its quality of place. The historic small town, the proximity to the coast, and the natural assets of the area are attractive to residents and visitors alike. However, the current small population base poses a challenge in terms of the community’s ability to support a wide range of choices.

For this reason, as the City supports projects to revitalize the Downtown, improve its physical appearance, and expand the number of choices available, marketing opportunities in Kingsville is of the utmost importance. Increasing the number of visitors to and expanding the population of Kingsville is a necessary component of sustaining an enhanced quality of place.

Recommendations:

1. Promote Kingsville's Downtown as the primary entertainment and retail destination for residents, students, and tourists. Downtowns are typically the lifeblood of a community, where residents, employees, and tourists can be seen walking, shopping, entertaining, and dining. Kingsville's Downtown is one of the best physical assets in the community. The building stock is still intact, and the street grid and pedestrian-friendly layout (albeit there are improvements to be made) offer a great backbone from which to improve. The Downtown should be a main focus for economic development efforts, as downtowns are often the primary draw for talent, and increasing Kingsville's attractiveness to talent is the number one priority.

To achieve this goal, the City should develop a formal revitalization plan for the Downtown. It should also develop a special financing district, such as a Tax Increment Finance District, to stimulate the type of investment envisioned for the Downtown. In addition, the Economic Development Council should actively market Downtown properties to area investors and developers, as well as to regional and State developers. Finally, the City should support regular events in the Downtown geared towards students, NAS / Border Patrol residents, and other residents.

2. Increase and improve the range of housing opportunities in Kingsville. As mentioned in the assessment, the lack of housing options in Kingsville has led employees to live in surrounding communities, particularly Nueces County. Promoting the development of a range of housing products (along with improvements in education and entertainment options) to accommodate the tastes and preferences of diverse types of residents will greatly enhance the ability of the City to attract new residents and workforce. The City can do this through zoning, developer incentives, specialized programs, and informing area brokers and developers of its vision. Consideration should be given to concentrating residential growth in and around the Downtown to create a more vibrant urban core and ensuring that future student housing developments are closer to the campus area and of a quality of which Kingsville and TAMUK can be proud.

REVITALIZE DOWNTOWN



Downtown Kingsville should be the lifeblood of the City.



The specialized programs that the City should consider include the following: 1) a down payment assistance program in conjunction with TAMUK, NAS Kingsville, and other major employers to assist employees in buying a home in Kingsville; 2) a Community Housing Development Organization (CHDO) who will be able to tap into government and private funding to develop affordable housing; and 3) a zero-interest loan fund to assist home buyers in the rehabilitation of historic homes

Finally, the City should continue its code enforcement to remove houses that should be condemned and develop a specific plan for how to put these properties back on the tax roll by developing additional housing, particularly geared towards students and younger residents.

3. Enhance the image of Kingsville through an internal and external marketing campaign. The Kingsville's economic development players should work to build consensus for a primary theme/message to market Kingsville that will be shared by all community development, economic development, and tourism-related organizations. As with all successful marketing, it is critical to identify target audiences and to focus efforts on them. The primary target audiences for Kingsville should be: 1) local and regional business leaders who can influence business location and other investment decisions; 2) key allies, such as State and regional economic development organizations; 3) members of the region's various media; and 4) decision makers at companies within the target industries.

The most important target audience for Kingsville should be the people and businesses who are already invested (either financially or emotionally) in the community. They are also the ones who represent Kingsville on a daily basis in their business and personal interactions – both regionally and nationally. A sustained internal marketing campaign should be undertaken to generate and promote a positive image of Kingsville. Making sure that existing residents and local business leaders have a positive image of the community is critical to the success of any external campaign as these are the people who can best tell the Kingsville story to the outside world.

Kingsville must set itself apart from the competition throughout the region. The most effective marketing strategies are those that promote specific initiatives and opportunities. In other words, the various target audiences must be swayed by the message that their interests can be maximized by investing social and economic capital in Kingsville.

FINANCING DISTRICTS

Unlike the federally financed urban renewal projects of the 1960s and 70s, today's economic development efforts are much more likely to be financed with private funds or through innovative public-private partnerships. As a result, the creation of some form of taxing or special assessment district is a commonly used approach for financing and managing downtown development.

- ◆ *Tax-increment financing (TIF) districts.* Tax increment financing districts, which allow taxing entities to repay the costs of improvements to a designated area with the future tax revenues generated by increasing property values, are among the most popular funding mechanisms. These districts can be structured as a single, large tax-increment district (San Diego) or as a series of smaller tax-increment districts in targeted areas (Chicago).
- ◆ *Public improvement districts (PID).* PIDs, also known as Business Improvement Districts, offer cities a means for improving their infrastructure to promote economic growth in an area. The Public Improvement District Assessment Act allows cities to levy and collect special assessments on properties that are within the city or its extraterritorial jurisdiction (ETJ).

PIDs may be formed to create water, wastewater, health and sanitation, or drainage improvements; street and sidewalk improvements; mass transit improvements; parking improvements; library improvements; park, recreation and cultural improvements; landscaping and other aesthetic improvements; art installation; creation of pedestrian malls or similar improvements; supplemental safety services for the improvement of the district, including public safety and security services; or supplemental business-related services for the improvement of the district, including advertising and business recruitment and development.

- ◆ *Municipal management districts.* These districts, also called downtown management districts, are created within an existing commercial area to finance facilities, infrastructure, and services beyond those already provided by individual property owners or the municipality. The improvements may be paid for by self-imposed property taxes, special assessments and impact fees, or by other charges against district property owners. The creation of the district does not relieve a city from providing basic services to the area. A district is created to supplement, not supplant, the municipal services available to the area.
- ◆ *Municipal development districts.* A municipality may create a Municipal Development District comprising all or part of its city limits, all or part of its extraterritorial jurisdiction (ETJ), or any combination of all or part of these areas. To create a district, a city must call an election through an order that defines the proposed boundaries of the district. These districts are financed through an additional sales tax approved by the city's voters, a tax which is similar to the economic development sales tax.
- ◆ *Special purpose district.* Another approach to downtown finance is the creation of a special purpose district. Unlike the TIF district, which collects the tax increment created by rising property values, a special purpose district represents an additional tax. Special purpose districts are legally recognized governments and operate independently from other taxing jurisdictions, such as a city or county. They can collect money from a variety of sources, including bond issues and user fees and grants and are typically governed by a board.

The chart on the next page compares the districts based on the funding source, who bears the burden of financing the district, how the funds can be used, and who initiates the creation of the district. In addition, examples of each type of district are provided.



COMPARISON OF FINANCING DISTRICTS

Mechanism	Funding Source	Burden	Uses	Initiation	Examples
Tax Increment Financing	Allocation of incremental property tax revenues to the TIF	Property owners in district	Structural and infrastructure improvements	Petition of property owners in district or city council	Rowlett, TX Arlington, TX Houston, TX
Public Improvement District	Additional assessment	Property and business owners in district	Improvements of water, wastewater, health & sanitation, drainage, street & sidewalk, mass transit, parking, library, park, recreation & cultural facilities, landscaping & other aesthetics, art installation, creation of pedestrian malls, supplemental safety services, supplemental business-related services	City council or by petition of 50% or more of property owners in a given geographic area	Houston, TX Greensboro, NC Great Fall, MT Durango, CO
Municipal Management Districts	Self-imposed property taxes, special assessments, and impact fees	Property owners and developers in district	Facilities, infrastructure, and services beyond those provided by property owners or by the municipality	Petition of 50% or more of property owners in a given geographic area or by legislative action	Houston, TX
Municipal Development Districts	Sales tax	Consumers in the district	Any project acceptable as a use of 4B sales tax revenues	Election	Aransas Pass, TX
Special Purpose District	Additional tax	Patrons / users of district	Depends on structure of SPD	Legislative action	The Woodlands, TX