HOUSING MARKET STUDY CITY OF KINGSVILLE, TEXAS

ANALYSIS AND STRATEGIC CONSIDERATIONS

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Prepared for:

Kingsville Area Industrial Development Foundation

Prepared by:



INTRODUCTION

Broaddus Planning and Pegasus Planning and Development were asked by the City of Kingsville, the Industrial Development Foundation and Texas A&M University – Kingsville to conduct a small-scale residential market assessment of Kingsville, Texas. The purpose of this study is to: 1) Snapshot of the Kingsville Housing Market opportunity for use in stimulating development; 2) Create a factual framework to support policymakers, staff and community leaders in decision making related to Kingsville's housing market; and 3) "Provide strategic considerations and recommendations to energize and inform local efforts and stimulate private investment and public-private partnerships to address housing demands and opportunities.

The Scope of Work for this study included the following associated tasks:

Task One – Demand Analysis

- Analyze and present the historical population trends, and current and projected growth for the University, NAS and other major employers.
- Interview key stakeholders including the University, NAS, and major developers, and banks to gauge their understanding of demand and supply.
- Determine publicly-owned land in Kingsville that could be used to facilitate public-private residential or mixed-use projects

Task Two – Supply Analysis

- Analyze key market databases
- Interview realtors, banks, developers, and city staff to determine existing residential inventory and vacancy rates for residential units.

Task Three – Leakage Summary

• Summarize the difference in demand versus supply in terms of potential surplus or leakage of residential units. We believe there will be a leakage, meaning individuals are purchasing or renting units outside of Kingsville, but we will verify this perspective during Task Three.

Task Four – Strategic Recommendations

- Provide examples of strategies employed by other municipalities in Texas and other states that address a residential leakage.
- Based on our findings, present general strategies and preliminary recommendations to foster residential growth.

This report is divided into several sections: Key Findings, Observations, Strategic Considerations, and Analysis. Portions of this report, such as the - Key Findings and Observations – can be taken out of the report and provided to the development and real estate community. Other sections such as the Strategic Considerations and Analysis is meant to be used as an internal document to address areas that (if improved) could further stimulate the private sector to build housing in Kingsville.

TABLE OF CONTENTS

Key Findings4
Observations
Conclusions
Strategic Considerations
Leveraging Publicly-owned land
 Leveraging Publicly-owned land
Alternative Typologies

Appendix:

Analysis		6
	Demographics	46
•	Housing	53
	Economy	2

KEY FINDINGS

Kingsville is poised for substantial growth over the next decade. Job growth has occurred with modest population growth over the last 10 years, and the occupancy rates of existing housing are high. The population and the economy is relatively solid and expected to grow. All signs point to a demand for new single family and multifamily residential developments.

The following are represent key findings from this study:

Proactive City Initiatives

The City completed a Comprehensive Plan in 2008 charting a renewed vision for growth, development and community character, has undertaken a housing demolition program to reduce blight and unsafe structures, developed a publicly-owned land inventory that can be used to leverage public-private partnerships on underutilized, vacant lands, and has utilized significant developer assistance programs providing infrastructure assistance, fee waivers and loan guarantees for new developments (with assistance from its partners). The city is in the process of adopting a comprehensive housing plan which will lay out specific strategies to diversify housing options in the City which will targeting diverse housing types, price points and incentives that can be used to achieve housing development.

Texas A&M – Kingsville Expansion

TAMUK has grown and has significant plans for future expansion and growth. Research dollars have grown from \$11-23 million over 3 years and the student population is anticipated to grow from 6,737 to 12,500 over the next 10 to 20 years. TAMUK recently completed a Campus Master Plan to accommodate this anticipated growth.

Naval Air Station - Kingsville

NAS-Kingsville has a tremendous economic impact on the city and region, with nearly 1,800 employees and trainees living in the region. Construction of new buildings to support its mission places a demand on short-term rental housing and hotels. A significant amount of their permanent personnel live closer to Corpus and are looking for newer single family 3-4 bedroom housing.

Market Realities

Kingsville has a high occupancy rate of multifamily and single family housing. From 2000-2010 Job growth has increased by 13% with only a modest 1.7% population growth, indicating a demand for local housing. During the same time period, per capita income increased of 66%.

OBSERVATIONS

TEXAS A&M UNIVERSITY AT KINGSVILLE

OBSERVATIONS - TAMUK

Texas A&M University in Kingsville is in a stage of unprecedented growth, in physical campus growth, research expenditures, and faculty increases. Following are highlights of TAMUK's growth and its impact on the local market:

- In the past five years the University has had a 34% increase in staffing.
- Texas A&M University in Kingsville in Fall 2011 had 6,737 students, but its recently created Campus Master Plan will enable growth to 12,500 students.
- Since the Master Plans completion in 2010, the University has already completed a new 98,000 gross square foot residence hall, with a second residence hall to be completed in 2013 that will be a mirror image of the first; and has 17 other construction projects planned for the next ten years. The University has also entered into a partnership with Catholic-based Newman Foundation to construct a Newman Center with a residential component that would ultimately accommodate 600 students when complete. The first phase, which includes 300 beds will open Fall 2013.
- Funds received from research and sponsored programs has grown from \$11.2 million in 2007 to \$28 million in 2011. This exponential growth is similar to the research grants received but much larger major Texas Universities, and is directly tied to increased staffing to support the additional research and program needs.
- Research expenditures are projected to grow from \$15 million in 2010 to \$35 million in 2025.
- It is important to recognize that one major premise of this growth and a key concept in the University's Master Plan is to build enough capacity to support all of the lower-level undergraduate students' residential needs on campus. Studies have found that students living on campus have a higher rate of graduation and overall performance than those living off campus. However, upper level and graduate students will still require off-campus accommodations, and therefore the growth in student body doubled with the corresponding increase in faculty and staff necessary to accommodate the projected increase in the student body will create housing demand.

RESEARCH AT TAMUK

 Since 2007, the University's Research Funding has more than doubled. This increase in funding will result in direct growth in research faculty, and possibly recruiting of leading research professionals. (Source: TAMUK Institutional Research)



FUNDS RECEIVED FOR RESEARCH AND SPONSORED PROGRAMS FY01 - FY10

f Research and Sponsored Programs

3

RESEARCH AT TAMUK

 The 28 Million dollars in research funding that the University received this last fiscal year has already exceeded the 2020 projected amount of University research expenditures. (Source: TAMUK Master Plan)



OBSERVATIONS

NAVAL AIR STATION

OBSERVATIONS - NAS

Naval Air Station in Kingsville is one of the region's major employers, and has been in a stage of growth and expansion in its buildings. Following are highlights of NAS-Kingsville's growth and its impact on the local market:

- Completed in December 2009, A Report of the Annual Economic Impact During Fiscal Year 2010 of Naval Air Station Kingsville, projected the economic impacts the activities at the Naval Air Station would have on the Kingsville area... "In 2010, the installation will generate 1,821 direct jobs, which includes 597 military personnel along with 1,224 civilians and contractors. Construction at the installation in 2010 will add an additional 293 temporary jobs to the area economy. When factoring in military and civilian payroll, local procurement, and contract services, the installation will add \$235 million to the area economy during 2010. These expenditures will in turn generate another \$223 million in sales with businesses and other organizations in the Kingsville area. Combined, NAS Kingsville is projected to generate an estimated annual impact to the local economy of \$458 million in 2010.
- Current construction projects total over \$25 million and they have completed over \$100 million in the last few years of additional construction projects such as the new Medical Evacuation Unit and Armed Service Reserve Unit. This continued growth will continue to impact the overall economy of the Kingsville area.
- Most personnel commute from Corpus Christi due to the following factors: quality of education, spousal employment opportunities, the availability of newer (5 years or less) 4 bedroom homes, and the ability for re-sale in 3 years, which is the typical tour for military personnel.
- NAS Kingsville currently provides 252 Privatized (PPV) Family Homes, for which the average waiting list is 1 to 3 months.
 - These privatized housing units are provided through two complexes: Hawks Landing (102 Units) and Hunters Cove (150 Units). Military personnel have prioritized leasing at these locations, despite not being military operated.
 - NAS Kingsville also provides accommodations for Unaccompanied Individuals through Bachelor Housing, which provides housing for 65 service members.
- NAS Kingsville also works with local realtors and the Automated Housing Referral Network (AHRN)) to help service members find housing accommodations off base.
- With only these 317 dedicated housing units, the 597 direct military personnel, not to mention the 1,224 civilian and contractor employees, are obviously infiltrating local housing units, and therefore and staffing growth at NAS would be direct additional demand on the Kingsville housing Market.
- Student Pilots are in the area for one year and are required to live in Kingsville. They generally stay in the navy housing just off base which are government-private partnership developments

OBSERVATIONS - NAS

NAS Kingsville has a tremendous economic impact on Kingsville and the immediate region:

- 1,800 direct jobs (800 military, 1,000 civilians) estimated 3,000 public school students in the area
- Dependents of military personnel help elevate public school test scores, volunteer in community organizations, improve the quality of life
- Two of the past five mayors were navy pilots who stayed in Kingsville
- Seven past presidents of the Kingsville Chamber of Commerce were former navy pilots
- City of Kingsville conducted the first Joint Land Use Study (JLUS) in conjunction with navy, and began implementing recommendations within three months
- *Kingsville works with the base on identifying needed military construction projects, then works Texas congressional delegation on funding*
- *Kingsville came up with the idea and legislation for private-public venture military housing that helped the navy (and eventually the entire DOD) provide better housing at lower cost*
- Border patrol station which provides personnel for the Saritas checkpoint moved onto the NASK facility in 1991 and has grown from a staff of 30 to nearly 300.



Kingsville-Kleberg JAZB - Land Use Compatibility Guide



OBSERVATIONS

ECONOMIC DEVELOPMENT

OBSERVATIONS – ECONOMIC DEVELOPMENT

The Kingsville economy has grown over the last decade and is poised for significant additional growth. Following are highlights of Kingsville's demographic/economic highlights and economic development initiatives:

- The most significant aspect of Kingsville's economy over the last decade has been the significant increase in job growth with only a modest increase in population. From 2000 to 2010, the local jobs increased by 33% while the population only increased by 1.7% indicating a demand in local housing.
- The Eagle Ford Shale project north of Kingsville is one of the largest economic development projects in Texas. More than 2,000 jobs are being created annually to support the unprecedented well development that is necessary to capture the variable amounts of dry gas, wet gas, NGLs, condensate and oil.
- The City of Kingsville and Economic Development partners assisted the City's most recent subdivision, Paulson Falls in more ways that most cities, including: fee waivers and infrastructure to support new subdivision and a loan guarantee of \$450,000 by the Industrial Development Foundation.
- American Electric Power (AEP) recently located their training center and main office in Kingsville (creating additional demand on short-term rental housing and hotel).
- Local hospital operated by Christi Healthcare built a state of the art ICU and rehabilitation center. Increased healthcare facilities will compliment the existing assets found appealing to all demographics but definitely to seniors.
- The Border Patrol Station located at NASK employs approximately 300 officers.

OBSERVATIONS – EAGLE FORD SHALE

- The Eagle Ford Shale gas formation was discovered in 2008 and is unlike many other shale formations because it has both oil and natural gas resources. Located in Southwest Texas, the <u>Eagle Ford Shale</u> is estimated to have 20.81 trillion cubic feet of natural gas and 3.351 billion barrels of oil. The formation ranges in depth from 5,700 to 10,200 feet and covers over 3,000 square miles. (Source: www.energyfromshale.org)
- With 100s of rigs active, billions of dollars are flooding into the region. In one of the most active areas, Karnes County's tax roll has increased from \$500 million to \$1.3 billion in a few short years.

"In 2010 alone, this newest of the Texas shale plays generated close to \$2.9 billion in revenue, supported approximately 12,600 full-time jobs in the area, and provided nearly \$47.6 million in local government revenue." <u>University of Texas at San Antonio Institute for Economic Development</u>



Figure 2. Oil production from shale formations (thousand barrels per day)



Source: HPDI, LLC

OBSERVATIONS – EAGLE FORD SHALE

In 2010 development in the <u>Eagle Ford</u> shale gas created almost 7,000 jobs paying over \$300 million in salaries. And this is just the beginning:

- Kingsville recruited Texas Cementing Services who is moving for the work associated with Eagle Ford shale well demands. Other existing businesses are expanding in Kingsville to support the Eagle Ford Shale project.
- A UT-SA study estimates that by 2020, 5,000 new wells will be drilled, and the Eagle Ford will support almost 68,000 full-time jobs, account for almost \$21.5 billion in total annual economic output, and add almost \$1.2 billion to Texas' revenues."



OBSERVATIONS – REGIONAL INDUSTRY PROJECTIONS

Workforce Development Areas

0 10 27 20 Alamo-20 Middle Rio Grande-27 Brazos-16 North Central Texas-4 Cameron Co.-24 North East Texas-7 Capital Area-14 North Texas-3 Central Texas-26 Panhandle-1 Coastal Bend-22 Permian Basin-11 Concho Valley-12 Rural Capital Area-15 Dallas-6 Southeast Texas-18 Deep East Texas-17 South Plains-2 East Texas-8 South Texas-21 Golden Crescent-19 Tarrant Co.-5 Gulf Coast-28 Texoma-25 Heart of Texas-13 Upper Rio Grande-10 Lower Rio Grande-23 West Central Texas-9

Prepared by the Labor Market Information Department, TWC

- The Coastal Bend Workforce Development Area is comprised of 22 counties including Kleberg and Nueces Counties, where Kingsville and Corpus Christi respectively reside.
- The Texas Workforce Commission does projections for Industry and occupations within each of these regions.
- The projections for the Coastal Bend WDA is presented on the following slides.

16

OBSERVATIONS – WDA INDUSTRY PROJECTIONS

Top Ten Industries by Projected Numerical Change in Employment

Area	Code	Industry	Est Yr-Proj Yr	Estimated Employment	Projected Employment	-	% Change
Coastal Bend WDA	0	Total Employment	2008-2018	264,910	302,910	38,000	14
Coastal Bend WDA		Services-Providing	2008-2018	191,530	224,780	33,250	17
Coastal Bend WDA	102500	Education and Health Services	2008-2018	61,470	77,700	16,230	26
Coastal Bend WDA	620000	Health Care and Social Assistance	2008-2018	33,970	44,890	10,920	32
Coastal Bend WDA	621000	Ambulatory Health Care Services	2008-2018	16,320	22,930	6,610	40
Coastal Bend WDA	610000	Educational Services, Public/Private	2008-2018	27,500	32,810	5,310	19
Coastal Bend WDA	611000	Educational Services, Public/Private	2008-2018	27,500	32,810	5,310	19
Coastal Bend WDA	102600	Leisure and Hospitality	2008-2018	25,050	29,730	4,680	18
Coastal Bend WDA	720000	Accommodation and Food Services	2008-2018	22,960	27,270	4,310	18
Coastal Bend WDA	671	Self-Employed & Unpaid Family Workers	2008-2018	28,300	32,470	4,170	14

Top Ten Industries by Projected Percentage Change in Employment

Area	Code	Industry	Est Yr-Proj Yr	Estimated Employment	Projected Employment	Change	% Change
	407000			440			
Coastal Bend WDA		Scenic and Sightseeing Transportation	2008-2018	110	200	90	83
Coastal Bend WDA	541700	Scientific Research and Development Services	2008-2018	60	110	50	78
Coastal Bend WDA	621500	Medical and Diagnostic Laboratories	2008-2018	220	350	130	57
Coastal Bend WDA	561200	Facilities Support Services	2008-2018	210	330	120	55
Coastal Bend WDA	624100	Individual and Family Services	2008-2018	1,420	2,100	680	47
Coastal Bend WDA	621600	Home Health Care Services	2008-2018	8,900	13,010	4,110	46
Coastal Bend WDA	621300	Offices of Other Health Practitioners	2008-2018	940	1,330	390	41
Coastal Bend WDA	621000	Ambulatory Health Care Services	2008-2018	16,320	22,930	6,610	40
Coastal Bend WDA	237900	Other Heavy & Civil Engineering Construction	2008-2018	1,480	2,080	600	39
Coastal Bend WDA	611400	Business Schools and Computer and Management Training	2008-2018	30	40	10	38

OBSERVATIONS – WDA OCCUPATION PROJECTIONS

Top Ten Occupations by Projected Numerical Change in Employment

Occupation	Est Yr - Proj Yr	Estimated Employment	Projected Employment	Change	% Change	Annual Openings due to Growth	Annual Openings due to Replacements	Total Annual Openings"Coastal Bend WDA"
Total, All Occupations	2008 - 2018	264,910	302,910	38,000	14	4,005	5,900	9,905
Food Preparation and Serving Related Occupations	2008 - 2018	22,050	26,480	4,430	20	445	735	1,180
Education, Training, and Library Occupations	2008 - 2018	17,850	21,730	3,880	21	390	390	780
Office and Administrative Support Occupations	2008 - 2018	35,490	39,080	3,590	10	405	730	1,135
Healthcare Support Occupations	2008 - 2018	9,020	12,530	3,510	38	350	100	450
Healthcare Practitioners and Technical Occupations	2008 - 2018	13,220	16,600	3,380	25	340	285	625
Personal Care and Service Occupations	2008 - 2018	10,210	13,370	3,160	30	315	225	540
Food and Beverage Serving Workers	2008 - 2018	12,850	15,730	2,880	22	285	470	755
Sales and Related Occupations	2008 - 2018	25,930	28,750	2,820	10	290	800	1,090
Nursing, Psychiatric, and Home Health Aides	2008 - 2018	6,550	9,350	2,800	42	280	65	345

Top Ten Industries by Projected Percentage Change in Employment

Occupation	Est Yr - Proj Yr	Estimated Employment	Projected Employment	Change	% Change	Annual Openings due to Growth	Annual Openings due to Replacements	Total Annual Openings"Coastal Bend WDA"
Network Systems and Data Communications Analysts	2008 - 2018	230	360	130	57	15	5	20
Home Health Aides	2008 - 2018	3,640	5,700	2,060	56	205	35	240
Personal and Home Care Aides	2008 - 2018	4,030	5,970	1,940	48	195	50	245
Medical Scientists, Except Epidemiologists	2008 - 2018	60	80	20	44	5	0	5
Radiation Therapists	2008 - 2018	20	20	0	43	0	0	0
Nursing, Psychiatric, and Home Health Aides	2008 - 2018	6,550	9,350	2,800	42	280	65	345
Physical Therapist Assistants	2008 - 2018	100	150	50	42	5	0	5
Physician Assistants	2008 - 2018	90	120	30	40	5	0	5
Physical Therapist Aides	2008 - 2018	70	100	30	40	5	0	5
Healthcare Support Occupations	2008 - 2018	9,020	12,530	3,510	38	350	100	450

OBSERVATIONS – CITY INITIATIVE (KWOP)

OWNERS ASSISTED BY KINGSVILLE WIPE OUT PROGRAM (K.W.O.P.)



OBSERVATIONS – CITY INITIATIVE (KWOP)



OBSERVATIONS – CITY INITIATIVE (KWOP)



CONCLUSIONS

Kingsville has grown steadily for more than 75 years since its founding, as City leaders aggressively pursued job engines which fueled residential development. Ranching was here first and then railroad, but neither of which separately or together gave reason for a town. Leaders pursued first railroad headquarters, then a teachers college that became Texas A&I, then gas, oil and chemicals, and then the Navy. The community and economy grew until the 1980's when all of these economic engines either cut back or went away - even the Navy base and University declined. Population and economy contracted severely for a generation.

Today the NAS-Kingsville and TAMU-Kingsville are expanding. The regional economy is growing, and City leaders are addressing community needs and deficiencies. The outlook is positive. Job growth is very positive but housing is a lagging indicator. Providing market data, making improvements in infrastructure and community appearance, increasing code enforcement and historic preservation of existing housing stock are all being addressed. The City is now focused on stimulating new housing development through efforts in:

- Researching market demand and market leakage to highlight demand that is not obvious from some cursory viewpoints;
- Marketing to housing developers; and
- Developing incentives.

The data and information found in this report reveals that the economy is in a growth spurt and population has increased. Given that housing is a lagging indicator of growth, it is not surprising that significant new residential development has not yet occurred. However, now is the best time to stimulate new residential growth and improve existing housing stock.

STRATEGIC CONSIDERATIONS

As the report demonstrates, there is a demand for more housing and diverse housing (both rental and homeownership). The report also shows that many of Kingsville's employees choose to live elsewhere for several reasons. Current and past surveys and interviews suggest that the primary reasons for living elsewhere are lack of quality housing and spousal employment opportunities, and local school performance ratings. With a concerted effort focused on improving school performance, leveraging publicly-owned lands, and improving existing older housing stock, Kingsville can expect to see growth in its housing market over the next decade – beyond what the market will build on its own. The following Strategic Recommendations will assist Kingsville in stimulating the private sector housing market:

Improve School Performance

As the charts in the Analysis section illustrate, the Kingsville ISD is rated by the Texas Education Agency as "unacceptable", while the Ricardo and London ISDs are rated as Exemplary (and other neighboring ISDs as acceptable and recognized). Many of NAS-K and TAMUK employees choose to live in these school districts. Until these ratings are significantly improved, many families with school-aged children will choose to live elsewhere. This HAS to be the number one community-wide initiative to undertake. *A follow-up study and strategic plan for addressing this issue should be undertaken.*

Stabilize Existing Neighborhoods

- The City has done an incredible job at demolishing dilapidated houses throughout the City. This program should continue, and then be complimented by a neighborhood stabilization program targeting older homes that have a higher propensity for foreclosures.
- Obtain funds from HUD's Neighborhood Stabilization Grant program.
- Obtain Weatherization funds and create a local job creation effort aimed at improving the energy efficiency of existing homes in targeted neighborhoods.

Leverage Publicly-owned lands

Create Public-Private Partnerships (P3) by following the steps outlined below and in the following pages that leverage publicly-owned lands and build housing and mixed-use projects that follow the typologies found on the following pages from the Comprehensive Plan and from Urban Design Studies. The following steps will assist the City and its partners are you consider creating these P3s:

- Determine which of the publicly-owned properties that are determined to have the best opportunity for redevelopment, create a locallydriven plan or vision for what could be developed that addresses housing and commercial needs.
- Talk informally with local and regional developers about the market conditions, the demand that Kingsville sees, and obtain their feedback on potentially participating in a public-private development that would address public needs .
- Solicit developer participation through a competitive process by developing a Request for Proposal that identifies the visions for each property, the resources available locally to assist.
- Determine which development team can provide the best projects and has the capacity and experience to execute.

STRATEGIC CONSIDERATIONS

Community Appearance Initiative

The City has created a new division geared solely toward Community Appearance, and the Planning Department is currently initiating a plan to provide landscaping along the major corridors. And, Street & Sewer improvements are planned for 2012 in order to address failing roads and also community appearance issues. All of these efforts will help to address overall community appearance, and should be continued and evaluated annually.

Infill Opportunities related to past demolitions, particularly in the historic district

The city demolition initiatives have created tremendous infill development opportunities throughout the City, but particularly in the downtown historic district. The recommendations found on the following pages pertain to several priority areas throughout the City, but infill development should certainly be a focus area in the downtown historic district.

Historic Preservation

As the community moves forward with all of these and other improvement strategies, a focus on historic preservation, particularly in the Historic District of downtown, should be a major focus. Maintaining the historic integrity of the community by promoting preservation and appropriate infill housing as a housing choice should be a priority for the community as it implements its housing strategies.

PUBLICALLY OWNED LAND

POTENTIAL P3 (PUBLIC PRIVATE PARTNERSHIPS) DEVELOPMENT SITES

CITY OWNED PROPERTY



Most of the City owned property in town is already developed, and the identified sites below don't take into account current plans for utilization of these properties.

A – Field Behind Southgate C – 17^{th} & West Lee D – 17^{th} & Alice F – Caesar & 3^{rd}

COUNTY OWNED PROPERTY



Most of the County owned property in town is already developed, and the identified sites below don't take into account current plans for utilization of these properties.

 $B - 16^{th}$ Behind County Jail E - CR 1049 & Golf Course

LOCATION PRIORITIES



Four priority areas are identified to focus re-investment dollars and/or P3 project initiatives. Each district should have a brand and these recommended types of development should occur in those areas:

TAMUK – "College Town"

- Single Family Conventional (Infill/Rehabilitation)
 - Multi-Family (2-Story)
- Multi-Family (3-Story)
- Planned Development

Downtown – "Historic District"

- Mixed-Use
- Downtown
- Multi-Family (3-Story)

NAS Kingsville – "Military Housing"

- Single Family Conventional
- Planned Development
- Multi-Family (3 Story)

County Park & NAS South - "Rural"

- Single Family Conventional
- Planned Development
- Multi-Family (3 Story)

LOCATION PRIORITIES (ONE MILE BUFFER)



A One Mile Radius equates to a twenty minute walk, five minute bicycle ride, or a five minute drive. The areas that fall within these priority areas should be the focus of catalytic P3 development projects and/or community development investments to revitalize neighborhoods.

LOCATION PRIORITIES (ONE MILE BUFFER)



Although not properties within the Historic District in Kingsville Downtown are identified in this study, the Historic District deserves special consideration for potential infill housing, especially given its proximity to the University and the importance to the City of revitalizing the downtown and Historic area.

July 2010

(A) FIELD BEHIND SOUTHGATE MALL



Parcel Information: Owner: City of Kingsville Size: 11.013 Acres Zoning: R1

- Mixed-Use
- Multi-Family (3 Story)
- Planned Development

(B) 16TH STREET BEHIND COUNTY JAIL



Parcel Information:

Owner: Kleberg County Size: Approx. 14 Acres (would require replatting) Zoning: R1

- Multi-Family (3 Story)
- Multi-Family (4 Story)

(C) 17^{TH} STREET & WEST LEE



Parcel Information: Owner: City of Kingsville Size: Approx. 2.95 Acres Zoning: R1

<u>Recommended Typology(s)</u>:

- Multi-Family (3 Story)
- Planned Development

(D) 17^{TH} STREET & ALICE



Parcel Information: Owner: City of Kingsville Size: Approx. 0.6 Acres Zoning: R1

- Single Family (Duplex)
- Planned Development

(E) CR 1049 & GOLF COURSE ROAD



Parcel Information: Owner: Kleberg County Size: Approx. 2.5 Acres Zoning: Unknown

- Multi-Family (3 Story)
- Multi-Family (4 Story)
- Planned Development
- Mixed-Use

(F) CAESAR & 3RD



Parcel Information: Owner: City of Kingsville Size: Approx. 6 Acres (Less the water Tower) Zoning: I1

- Planned Development
- Multi-Family (3 Story)
- Multi-Family (4 Story)
TYPOLOGIES

FROM COMPREHENSIVE PLAN

TYPOLOGIES

- 1. Single Family Conventional
 - 6,500 Minimum Lot Size, 18% open Space, 3.8 Units per Acre
- 2. Planned Development
 - 5,000 Minimum Lot Size, 22% Open Space, 4.6 Units per Acre
- 3. Multi-Family (2 Story)
 - 6,000 Minimum Lot Size (1,000 SF per Unit), 24 Units per Acre, 25% Open Space
- 4. Multi-Family (3 Story)
 - 6,000 Minimum Lot Size (1,300 SF per Unit), 21.7 Units per Acre, 20% Open Space
- 5. Multi-Family (4 Story)
 - 6,000 Minimum Lot Size (1,400 SF per Unit), 19.5 Units per Acre, 30% Open Space
- 6. Mixed Use (3 Story, 50% of First Floor is Retail)
 - 6,000 Minimum Lot Size (1,000 SF per Unit), 28.5 Units per Acre, 25% Open Space
- 7. Downtown (2-Story, 100% of First Floor is Retail)
 - 1. 6,000 Minimum Lot Size (1,000 SF per Unit), 23.25 Units per Acre, 5% Open Space

ALTERNATIVE TYPOLOGIES

PRECEDENCE

URBAN DESIGN STRATEGY



Urban Design Code – Congress for New Urbanism (CNU)

The urban design strategy for any New Urbanist development is to locate the more dense "urban" portions (mixed-use with housing above retail) closer to the primary public streets. As the site extends further back into the existing neighborhood, the density is reduced by using housing typologies that include townhouses, semi-detached and fully detached houses that could accommodate University families, faculty, staff and married students.

The City of Austin created the "Typology of Land Uses" poster shown to the right, was adopted as a part of the Downtown Master Plan Guidelines. Guidelines like these are critical for the success of cities seeking to create great "Live-Work-Play" environments that are walkable, and have pedestrian friendly streetscapes.

LOW DENSITY RESIDENTIAL

Low Density Residential is considered "low" in the context of a TOD District, although it is a step up in density from surrounding single-family neighborhoods. The residential

Example: Cottage-style detached homes with rear lot alley garages.



MEDIUM DENSITY RESIDENTIAL

Medium Density Residential ranges from 17 to 30 dwelling units per acre. This is the primary residential zone outside of the mixed-use areas (which are typically high density atop



HIGH DENSITY RESIDENTIAL

High Density Residential in a Neighborhood TOD District tops out at 60 dwelling units per acre. While this zone is the most intensely developed residential zone, open space

Example: A four story wood-frame condo building built atop a concrete padium with tuckunder parking.



City of Austin TOD Urban Typology of Land Uses

PRECEDENTS – SOUTHERN VILLAGE, CHAPEL HILL



Southern Village, Chapel Hill, N.C..

The New Urbanist community of Southern Village located in Chapel Hill, North Carolina was used for precedence. The residential living and housing typology relates to the urban design strategy of scaling down of dense mixed use living to the less dense single family houses. (Note: The townhouse and single family housing aerials are used in the site planning diagrams of the Flato site study.)

Southern Village's Market Street has the look and feel of a classic American main street. Attractive two and three story buildings contain shops, offices and residences that surround the Village Green. Though the design of Market Street suggests an older town, the office and retail spaces offer what today's businesses have come to expect – a short drive from downtown and University of North Carolina campus, ample and convenient free parking, a wealth of amenities and state of the art technology.



Single Family Houses - Medium-Low Density



Townhouses – Medium-High Density

PRECEDENTS – OLD DOMINION UNIVERSITY



University Village at Old Dominion University, Norfolk, VA.

Old Dominion University's "University Village" was used as a precedence for both the Armstrong and Flato properties. The ODU model is appropriate to the context of Kingsville as it relates to massing, scale, architecture and ratio of ground level retail and commercial areas to the number of apartments within the development. The ODU Real Estate Foundation has taken the lead in the development of the University Village by working with the City of Norfolk in the acquisition of the adjacent residential and commercial properties.

Current Lease Spaces: Public Safety Boar's Nest Port City Java Perfectly Frank Tropical Smoothie Zero's Subs Village Fitness Center Sabrina's Signature Salon





University Village - Optional Floor Plans

PRECEDENTS – FRANKLIN & MARSHALL COLLEGE



Franklin & Marshall College - Aerial View of College Row

This project at Franklin and Marshall College fosters the transformation of North Campus into a vibrant, mixed use community where students, faculty, staff and others from the region gather to live, shop, dine and meet one another.

These units offer several amenities and are finished to high-end market standards. Socially, these apartments provide an around-the-clock life for this area of campus, contributing to the dynamic qualities that are essential in making a mixed-use development successful.

- 60 years ground lease
- \$30 million dollar
- 117 units (393 beds)
- 50,000 square feet of retail
- Includes restaurants and bistros, and several local and national retailers





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Franklin & Marshall College – Optional Room Types 43



HOUSING TYPOLOGY



Duplex Houses - Medium Density



Townhouses – Medium – High Density



Mixed Use – High Density (Apts over Retail)



1910 Duplex House – Baltimore, MD.



1910 Duplex House Side View– Baltimore, MD.

A duplex is essentially a townhouse with two residential units connected versus four or more. This allows for light and air to penetrate the house from all three sides of the building. Another way to visualize a duplex is to take two single family detached houses and put them together with one party wall that separates the two units. The beauty of this typology is that these residences are much more dense yet they give the appearance and feel of a separate individual house.

The images shown here are taken from a 1910 Baltimore neighborhood. One enters on the living room level that also has the dining room and kitchen. By walking up the steps to this level, it allows for a single car garage to be accommodated underneath the main living level and is accessed from the alleyway behind.

OCEAN SPRINGS MISSISSIPPI









"Dwell Small, Live Large"These hurricane resistant cottages were built on a 2.3 acre site in Ocean Springs, Mississippi; utilizing energy-efficient construction practices to achieve Energy Star Rating and are pursuing LEED classification (although the final rating has not been revealed). 29 Units were constructed at around \$80/Square Foot for the building.

These compact cottages could be an easy way to create affordable housing in a deteriorating neighborhood within walking distance of downtown or the University, which would improve the overall housing stock by widening the variety of options.

ANALYSIS

DEMOGRAPHICS

DEMOGRAPHICS - SUMMARY

- The Kingsville population reached its maximum in 1980 with a population of 28,808, declined to 25,575 by 2000, this negative slide in population is now showing signs of stabilization and recovery with growth back to 26,213 by 2010.
- While certain sections of Kingsville have an older demographic, overall the City has a much younger population than its neighbors, due largely to the Texas A&M University population.
- Texas A&M University at Kingsville had 6,737 students in Fall 2011, but its recently created Campus Master Plan will enable growth to 12,500 students. It is important to recognize that one main premise of this growth and a key concept in the University's plans are to build enough capacity to accommodate all of the lower-level undergraduate students' residential needs on campus. Studies have found that students living on campus have a higher rate of graduation and overall performance than those living off campus.
- In 2000, 2,082 workers commuted to Kleberg County for work. Unfortunately this data has not been released yet for the 2010 Census, so it is unclear if this trend has continued, worsened or improved. Several possible explanations for this exist. Lack of quality housing stock of reasonable age has forced workers to find more suitable housing elsewhere and school performance is obviously a big factor for families in where they decide to live.

Conclusion

The population and economy hit a lull from 1980 to 2000 but both the population and economy have grown. The population will continue to grow as new housing (both rental and owner-occupied) are created in Kingsville, and issues such as K-12 education and community appearance are improved.

POPULATION



POPULATION CHANGE 1990 – 2000 (REGION)



POPULATION CHANGE 1990 – 2000 (KINGSVILLE)

 Population growth occurred in 9 of the 18 Block groups in Kingsville, while the other 9 Block Groups declined.



POPULATION CHANGE 2000-2010 (REGION)



POPULATION CHANGE 2000-2010 (KINGSVILLE)

• Population growth occurred in only 3 of the 18 Block groups in Kingsville, while the other 15 Block Groups declined.



PROJECTED POPULATION CHANGE 2010-2015



PROJECTED POPULATION CHANGE 2010-2015

 Only 4 of the Block groups are projected to increase in population in the next five years.



MEDIAN AGE



MEDIAN AGE

 Kingsville is a relatively young community with only two of the Block Groups having a median age higher than 45 years. This is mostly due to the presence of the University.



AGE COHORT



*Data from 2010 Census (5-yr Estimate)

MEDIAN HOUSEHOLD INCOME



MEDIAN HOUSEHOLD INCOME

- HUD has determined that the Average Median Income for the county is \$48,600, meaning that 30% of that is the amount considered to be "Affordable Housing." (or \$1215 per month).
- Approx. 1/3 of the population of Kingsville can only afford \$650 per month.
- Only 8 of the 18 Block Groups in Kingsville are at or above the Median Income for the County.



EDUCATIONAL ATTAINMENT



^{*}Data from 2010 Census (5-yr Estimate)

SCHOOL DISTRICT PERFORMANCE



KISD - SCHOOL PERFORMANCE



ANALYSIS HOUSING

HOUSING - SUMMARY

- The median home value is Kingsville is \$50,500, compared to \$73,600 in Alice and \$107,600 in Corpus Christi.
- The monthly rental rate for a one bedroom housing unit is Kingsville is \$500 to \$600, compared to \$500 to \$600 in Alice and \$600 to \$750 in Corpus Christi.
- Housing stock is relatively old compared to its neighbors and benchmark communities.
- The Northeast section of Kingsville has a significantly old housing stock, is much poorer than the other areas of the community, and has a high potential to foreclose.
- Significant amounts of publicly-owned lands are available in key parts of the community to stimulate new residential developments.
- Overall housing Occupancy Rates (for both rental and homeownership) is 88% in Kingsville, 90% in Corpus Christi, and 91% in Alice. These are relatively strong occupancy rates.
- Rental Housing Occupancy rates are high for Kingsville and the entire area. Kingsville is approximately 91%, Alice is approximately 93%, and Corpus Christi is approximately 89%. The higher the occupancy rate, the higher the rent becomes. When demand is strong and the supply is low (as in the case of Kingsville and Alice) the prices go up. This speaks to a demand for more housing, which if provided, will ultimately make the price come down.
- A comprehensive apartment survey for Kingsville was completed in November 2011 and revealed the following information:
 - Nearly 99% of the 1,330 apartments are occupied
 - Average rents for a 1 Bedroom apartment are \$542/month
 - Average rents for a 2 Bedroom apartment are \$622/month
 - Average rents for a 3 Bedroom apartment are \$779/month
 - Average rents for a 4 Bedroom apartment are \$1085/month
- The number of residential units decreased from 10,427 in 2000 to 10,354 in 2010 (a decrease of 73 units). This trend is in line with a City initiative to remove dangerous vacant properties in town.

HOUSING - SUMMARY (CONT'D)

- The Housing Authority currently has 4 public housing developments comprised of Casa Ricardo Villa, Connell Villa, Maple Circle and Horizon Village. They assist 590 families through the Section 8 Housing Choice Voucher Program. In addition to their Public Housing and Section 8 Programs, they are also in partnership with two Tax Credit Properties, Courts of Las Palomas with 128 units and Kings Crossing with 120 units. (Source: http://www.kingsvillehousing.org/)
- Recently, a new Mixed Finance Tax Credit Development was completed in July 2011. The Heights at Corral is a new 80 unit complex that is comprised of Public Housing, Section 8 and Tax Credit Units developed to provide modernized housing for residents. The new construction of Casa Ricardo Villa will begin soon with the demolition of an existing structure already complete. Both of these developments are being funded through the U.S. Department of Housing and Urban Development and the Texas Department of Housing and Community Affairs. (Source: http://www.kingsvillehousing.org/)

Conclusion

Housing is a lagging indicator of the economy, meaning that economic growth occurs then housing construction follows. Given the very high occupancy rates for rental and owner-occupied housing in Kingsville, and the relatively significant population and economic growth that Kingsville has experienced, new housing construction (rental and owner-occupied) will begin in 2012 and continue as the economy grows.

AVERAGE HOUSEHOLD SIZE



*Data from 2010 Census (5-yr Estimate)

MEDIAN HOME VALUES



MEDIAN HOME VALUES

• 8 of the 18 Block Groups in Kingsville have median home values of less than \$60,000.



HUD ESTIMATED FORECLOSURE RISK



HUD ESTIMATED FORECLOSURE RISK

This dataset presents the foreclosure risk score based on rank census tracts by two measures: (i) percent of foreclosure problems and (ii) number of foreclosure problems. The data is at tract level and each tract receives the higher rank from those two rankings. The scores are ranked from low to highest (1 to 20) and color coded with deep red indicating highest risk. This data was sourced from U.S Department of Housing and Urban Development website

(http://www.huduser.org/nspgis/nsp_map_by_state.html)

The estimated rate of foreclosure problems do not reflect "real" numbers of foreclosures but rather reflect neighborhood characteristics that are estimated to have a high level of risk for foreclosure, notably a concentration of loans made between 2004 and 2007 that were determined to have been ?high cost? relative to other loans made at that same time, "highly leveraged" loans which are loans where the mortgage-to-income ratio is very high

(see<u>http://www.huduser.org/periodicals/ushmc/summer0</u> <u>8/summary.pdf</u>), falling home values in metropolitan or non-metropolitan balance of states, and both the average unemployment rate for the county in 2008 and the change in average unemployment rate between 2007 and 2008.



OWNER OCCUPIED HOUSING



OWNER OCCUPIED HOUSING

- In general Kingsville has more renter occupied housing than owner occupied. This is a reflection of the seasonal influx of university students creating a higher demand for rental units.
- The following slide shows that of the peer and neighboring communities, Kingsville has the lowest percentage of Owner-occupied Housing.


RENTERS VS. OWNERS (2010)



^{*}Data from 2010 Census (5-yr Estimate)

OVERALL VACANCY RATE



^{*}Data from 2010 Census (5-yr Estimate)

RENTAL VACANCY RATE



^{*}Data from 2010 Census (5-yr Estimate)

MEDIAN RENTAL RATES – 0 BEDROOM



MEDIAN RENTAL RATES – 1 BEDROOM



MEDIAN RENTAL RATES – 2 BEDROOM



MEDIAN RENTAL RATES – 3 BEDROOM



MEDIAN RENTAL RATES – 4 BEDROOM



AGE OF STRUCTURE BY CITY



^{*}Data from 2010 Census (5-yr Estimate)

ANALYSIS

ECONOMY

ECONOMY- SUMMARY

- Our belief is that the number of workers who chose to reside outside of Kingsville and commute in for work has increased since 2000, however the County-to-County workflow files from the Census Bureau have not bee released yet, therefore this is only an assumption, however this trend existed in 2000, and availability of housing has not improved in Kingsville.
- 30% of workers that reside in Kingsville commute outside of Kingsville for work
- Kingsville's unemployment rate has remained lower than that of the nation but still higher than its neighboring and peer communities. However, Kleberg County's unemployment rate as a whole continues to remain lower than that of Nueces County, Jim Wells County, San Patricio County, Bee County, and Aransas County.
- Kingsville has a much higher percentage of government workers relative to its neighbors, due largely to the employment base at NAS Kingsville and Texas A&M Kingsville.
- NAS Kingsville's employment is not anticipated to grow much unless its mission were to change. Any additional employment increase would more than likely be seasonal during training sessions.
- Texas A&M Kingsville is anticipating employment growth due to several programs that are expected to grow. Exact numbers are not currently available.
- The Eagle Ford Shale project's current demand of 2000+ employees is expected to continue over the next decade. This is and will undoubtedly place a demand on new housing both rental and homeownership, and single family and multi-family. Given its location to most of the wells, Kingsville will see modest demand relative to its northern neighbor in Alice.
- The median household income in Kingsville is \$32,319, less than Alice (\$37,023) and Corpus Christi (\$43,457)
- 21 % of families are in poverty in Kingsville, compared to 17% in Alice and 15% in Corpus.

ECONOMY- SUMMARY (CONT.)

• Tourism in Kingsville has shown signs of increasing over the last year, which reflects a recovering economy. One indicator of tourist activity is hotel expenditures. Hotel expenditures increased by 16% from \$1.76 million in the third quarter of 2010 to \$2.05 million in third quarter of 2011. Some of this increase may have ties to the Eagle Ford Shale activity. It should also be noted that the overall hotel room capacity was lower in 2011, which means that hotels were more continually occupied. A more in depth study could be performed on hotel utilization to determine if perhaps there is a hotel leakage as well. If that were the case that information would be helpful to distribute to hoteliers who might be looking for a place to develop. Capturing non-resident tax revenue is a huge asset for a community burdened by old infrastructure and attempting to achieve multiple city initiatives at once.

Conclusion

Kingsville has several major employers with NAS-Kingsville, TAMUK, Border Patrol Station and other private companies. The job growth throughout the region, especially fueled by the Eagle Ford Shale exploration and tourism will continue to spur additional job growth. The economic development and City leadership understands the need to be proactive and aggressive. These initiatives will continue to lead Kingsville in a prosperous path of economic growth.

UNEMPLOYMENT RATE



UNEMPLOYMENT RATE

 Although, the student population is exaggerating the numbers slightly, unemployment rates in the northern, and especially northeastern sectors of the city are at an alarming level.



UNEMPLOYMENT



PERCENTAGE OF LABOR FORCE COMMUTING TO OTHER COMMUNITIES?



CLASS OF WORKERS



MEDIAN HOUSEHOLD INCOME



^{*}Data from 2010 Census (5-yr Estimate)

FAMILIES IN POVERTY



^{*}Data from 2010 Census (5-yr Estimate)

INDUSTRY SECTORS













Population 1950: 16,898 1960: 25,297 1970: 28,995 1980: 29,949 1990: 25,276 2000: 25,575 2010: 26,213

Housing units 2000: 10,427 2010: 10,354

*Data from Census

KINGSVILLE – CENSUS TRACTS

Housing Units: 2,783 Owner Occ.: 41.8% Renter Occ.: 58.2% Vacant: 439 % Vacant: 16% 64% of Housing Units are over 40 Years Old. *Median Number of Rooms: 4.6 *Median Value: \$56,700 *Single Family: 62.6% Housing Units: 2,817 Owner Occ.: 46.9% Renter Occ · 53 1% Vacant: 302 % Vacant: 11% 47% of Housing Units are over 40 Years Old. *Median Number of Rooms: 4.6 *Median Value: \$56,600 *Single Family: 61%

Housing Units: 2,311 Owner Occ.: 61.5% Renter Occ.: 38.5% Vacant: 296 % Vacant: 13% 67% of Housing Units are over 40 Years Old. *Median Number of Rooms: 4.7 *Median Value: \$26,600 *Single Family: 86.7%

Housing Units: 2,561 Owner Occ.: 55.7% Renter Occ.: 44.3% Vacant: 230 % Vacant: 9% 59% of Housing Units are over 40 Years Old. *Median Number of Rooms: 5.4 *Median Value: \$67,900 *Single Family: 71.7%

*These Data Point is from 2000 Census

Data from 2010 Census