

**CITY OF SOUTH PADRE ISLAND  
ECONOMIC DEVELOPMENT CORPORATION  
NOTICE OF REGULAR MEETING**

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**Note:** One or more members of the South Padre Island City Council may attend this meeting. If so, this statement satisfies the requirements of the Open Meetings Act

Notice is hereby given that the Economic Development Corporation Board of Directors of the City of South Padre Island, Texas, will hold its **Regular Meeting Tuesday, October 24th, 2017 at 9:00 a.m.** at the Municipal Building, Joyce H. Adams Board Room, 2<sup>nd</sup> floor, 4601 Padre Blvd., South Padre Island, Texas. Following is the agenda on which action may be taken:

1. **Call to order**
2. **Pledge of Allegiance**
3. **Public Comments and Announcements**  
*This is an opportunity for citizens to speak to the Board relating to agenda or non-agenda items. Speakers are required to give their name before addressing their concerns. (Note: State law will not permit the Board to discuss, debate, or consider items that are not on the agenda. Citizen comments may be referred to staff or may be placed on the agenda of a future Board meeting)*
4. **Presentation by Pete Sepulveda with the Cameron County Regional Mobility Authority regarding the Second Access to SPI project**
5. **Presentation by Dr. Mostafa Malki regarding the Annual Economic Index for South Padre Island**
6. **Approve the Consent Agenda:**
  - 6a. **Approve the Minutes from the Regular Meeting of September 19<sup>th</sup>, 2017**
  - 6b. **Financial Report for EDC- September 2017**
  - 6c. **Approve the Financial Reports for the Birding & Nature Center- September 2017**
  - 6d. **Manager's Report for the Birding & Nature Center September 2017**
7. **Quarterly Report from the President of the Birding and Nature Center Lynne Tate regarding the operations at the Center**
8. **Discussion and action to approve the Sand Dollars for Success guidelines and procedures for 2018**
9. **Update regarding the status of the Strategic Plan goals for the EDC Executive Director and Board of Directors for 2017-18**

## 10. Executive Director's Activity Report

## 11. Adjournment

We reserve the right to go into Executive Session regarding any of the items posted on this agenda, pursuant to Sections 551-071, Consultation with Attorney; 551.072, Deliberations about Real Property; 551.073, Deliberations about Gifts & Donations; 551-074, Personnel Matters; 551-076, Deliberations about Security Devices; and/or 551.086, Deliberation regarding Economic Development Negotiations (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1)

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Directors of the City of South Padre Island Economic Development Corporation is a true and correct copy of said Notice and that I posted a true and correct copy of said notice on the bulletin board at City Hall which will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

***Dated this the 20th day of October, 2017***

S E A L

  
\_\_\_\_\_  
Darla Lapeyre, Executive Director

*This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact Jay Mitchim, ADA-designated responsible party, at (956)761-1025.*

4.



# Cameron County Regional Mobility Authority

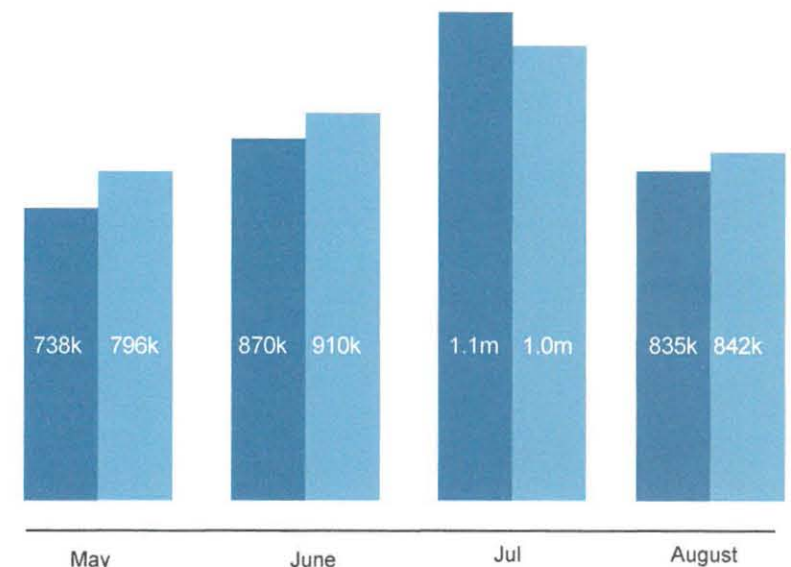
October 24, 2017

# SPI 2ND ACCESS

- **Most critical safety project in Texas**
- **Most environmentally complex project in the nation**
- **Provides additional emergency evacuation route – currently, the Queen Isabella Memorial Causeway is the only access to/from SPI**
- **Improves emergency response with additional access for first responders**
- **Provides access in the event of bridge closure**
- **5 car pile-up shut down the only entrance to the island for 2 hours in August 2016**
- **Anticipated Space X will attract an additional 25,000 visitors to Cameron County monthly**

## CAUSEWAY TRAFFIC BY THE NUMBERS

2016 - 2015 Comparison



## SPI 2ND ACCESS *CURRENT STATUS*

- Undergoing Review of Environmental Document
- FEIS Preparation: Submitted December 26, 2014
- Value Engineering Session Finalized March 2017
- Record of Decision Expected in 2019
- CCRMA Procuring Engineering Firm
- CCRMA Preparing Financial Plan (Partners)
- RGV Delegation Strongly Supports Project and Regional MPO

# CAMERON COUNTY GREEN INFRASTRUCTURE VISION MAP



- LEGEND**
- PROTECTED LANDS/REFUGES
  - LAND AND WATER CONNECTIONS
  - CAMERON COUNTY WATERWAYS
  - ~ RIO GRANDE RIVER
  - ~ CAMERON COUNTY RESACA
  - ~ MULTI-USE / BIKING TRAIL
  - ~ MULTI-USE TRAIL CATALYST PROJECT
  - ~ PADDLE TRAIL
  - ~ PADDLE TRAIL CATALYST PROJECT

# Green Infrastructure Vision

## Green Infrastructure Assets

- Over 9,000 acres of protected land
- Opportunities for bi-national cultural and heritage tourism
- World class birdwatching
- Barrier island and beaches
- One of the only populations of ocelots in the U.S.

## Actions to Support Nature-Based Economy

- **Cultivate partnerships and dedicate funding** *to support investments in natural and cultural resource protection and tourism infrastructure*
- **Focus mitigation investments** *for road and pipeline projects into preservation and enhancement of natural and cultural treasures*
- **Expand the green infrastructure vision** *to entire lower RGV*
- **Support community adoption** *of Cameron County Green Infrastructure Vision and Action Plan*
- **Educate the community** *on the economic value of birds, butterflies and ocelots*
- **Establish a coordinated marketing program** *to promote Cameron County as a premier ecotourism destination*







**5.**



# CITY OF SOUTH PADRE ISLAND ECONOMIC INDEX

October, 2017

PREPARED FOR  
SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT CORPORATION

BY  
AARON ECONOMIC CONSULTING



**AARON**  
economic consulting

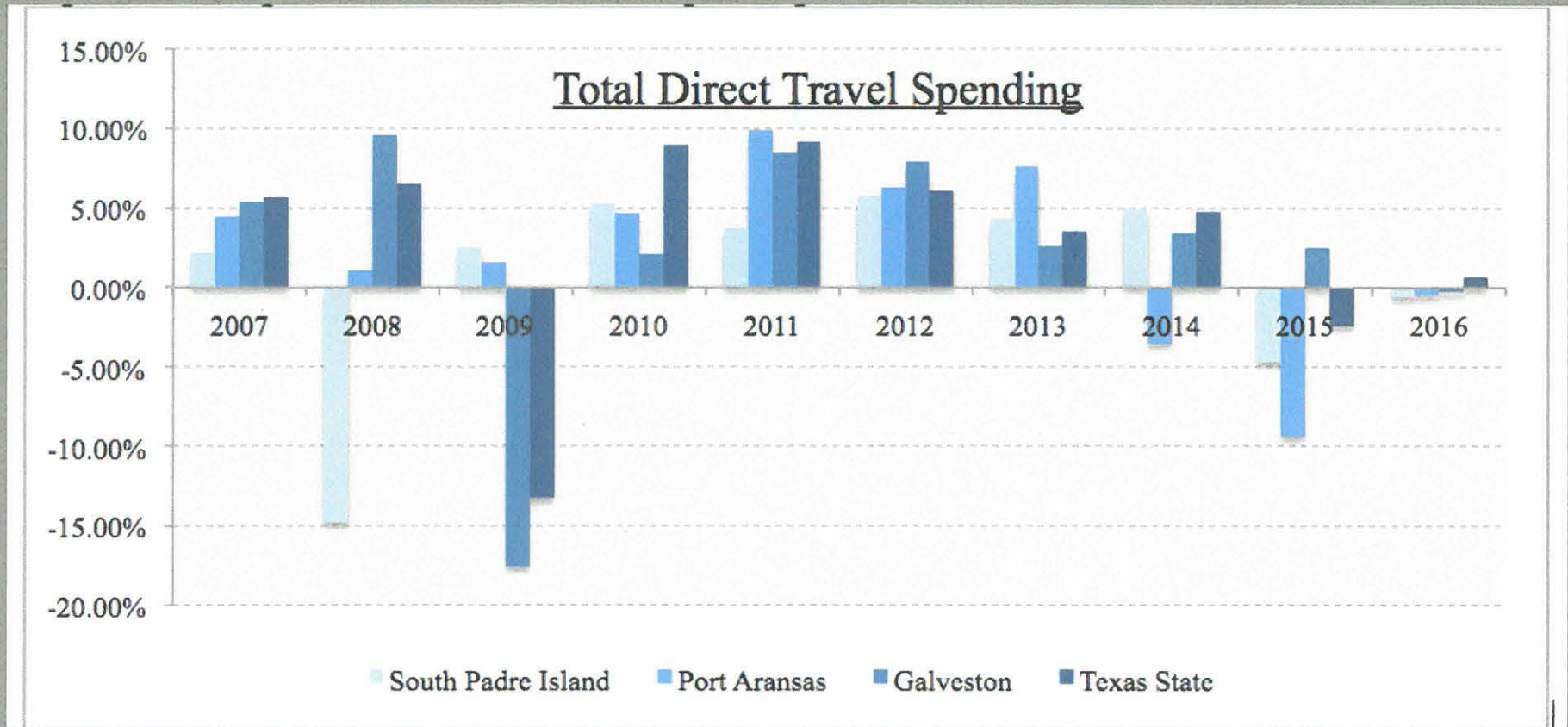
# Introduction

- ◎ South Padre Island's most important economic drivers – hospitality and tourism, and real estate continue to expand.
- ◎ External Economic (Macro) Factors  
(Forecasting Economic Conditions) point to continued expansion in 2017 and 2018



# South Padre Island

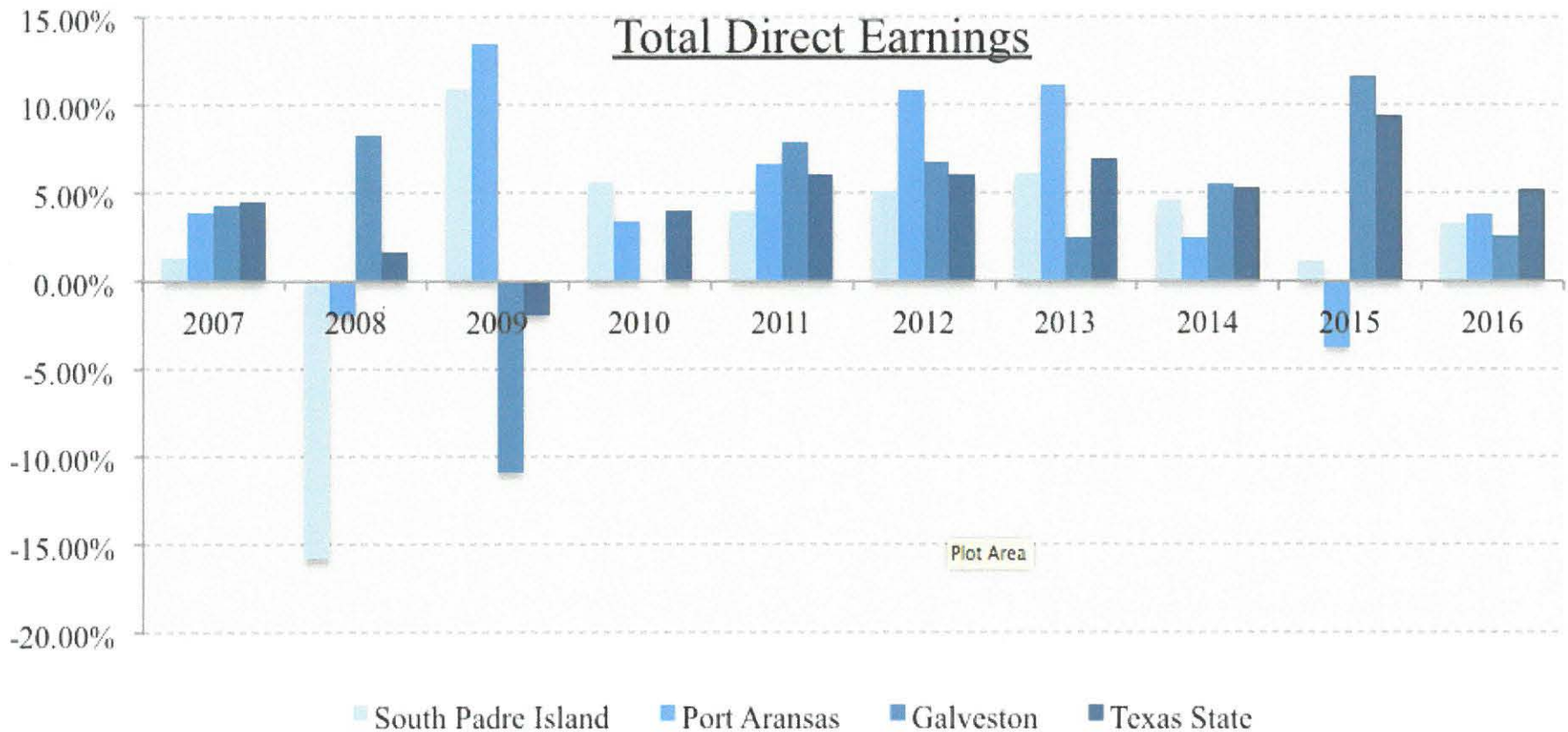
## Total Direct Visitor Spending



Source: Office of the Governor, Economic Development and Tourism

# South Padre Island

## Total Direct Earning



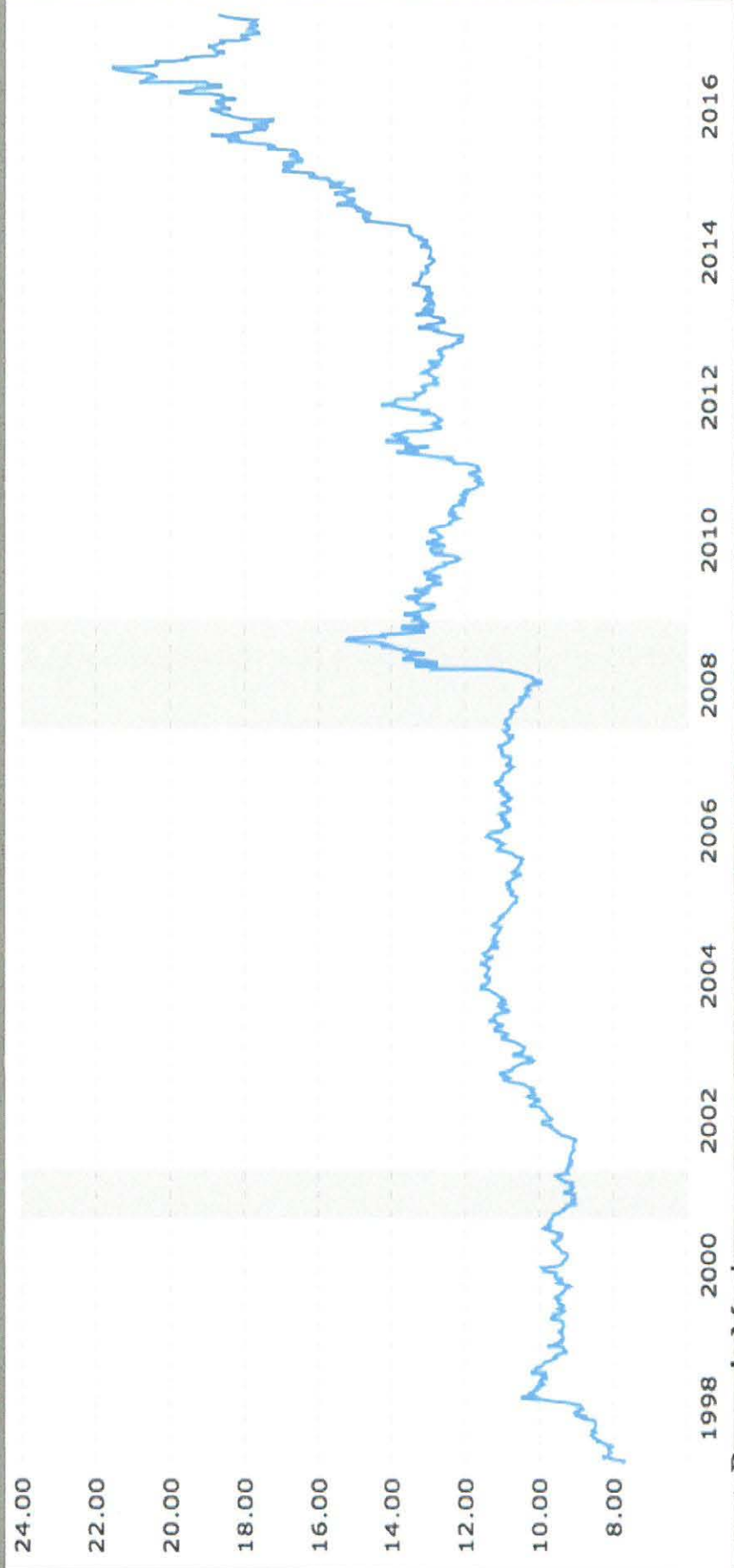
Source: Office of the Governor, Economic Development and Tourism



# External Economic Drivers

## STATE FACTORS

Exchange Rate Mexican Peso to Dollar



Source: Federal Reserve Bank of Dallas

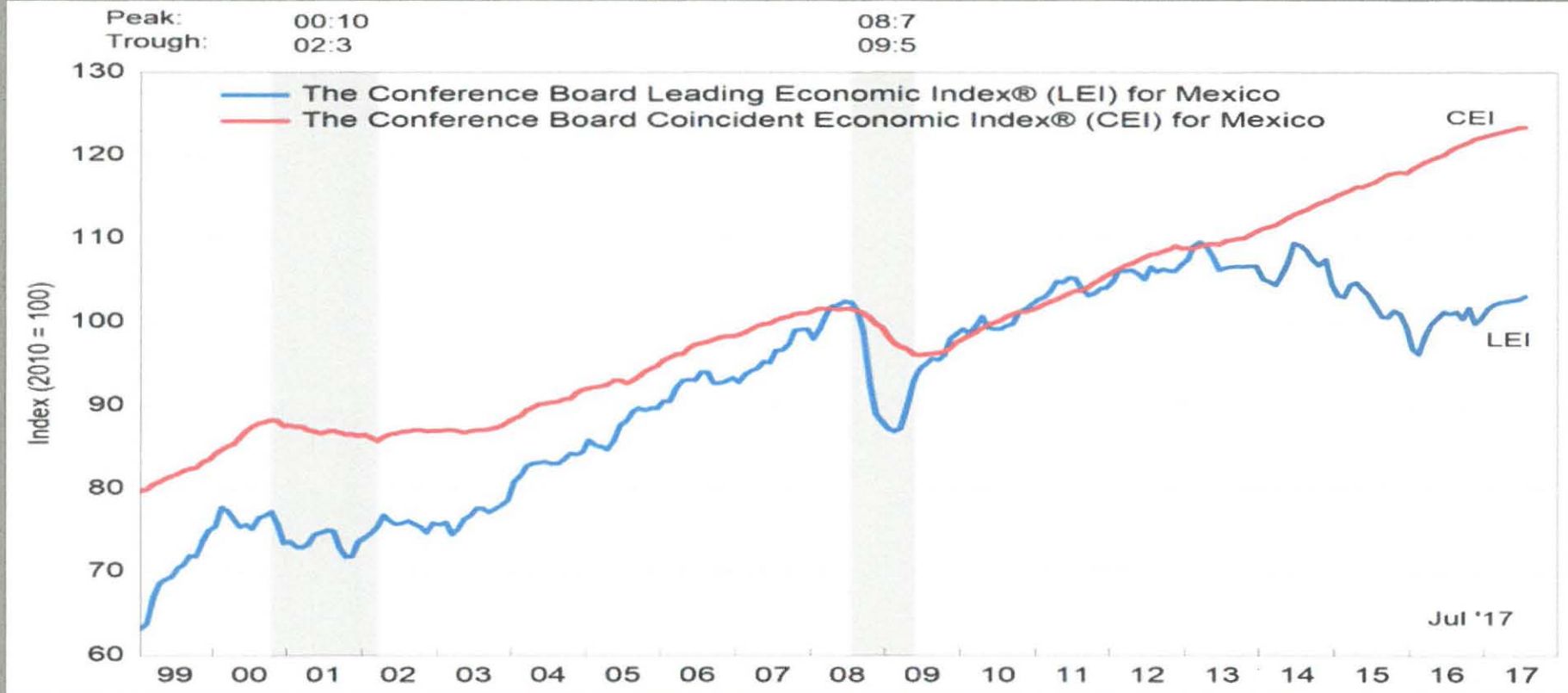




# External Economic Drivers

## MEXICAN FACTORS

### ● Mexico Leading Economic Index



Source: The Conference Board

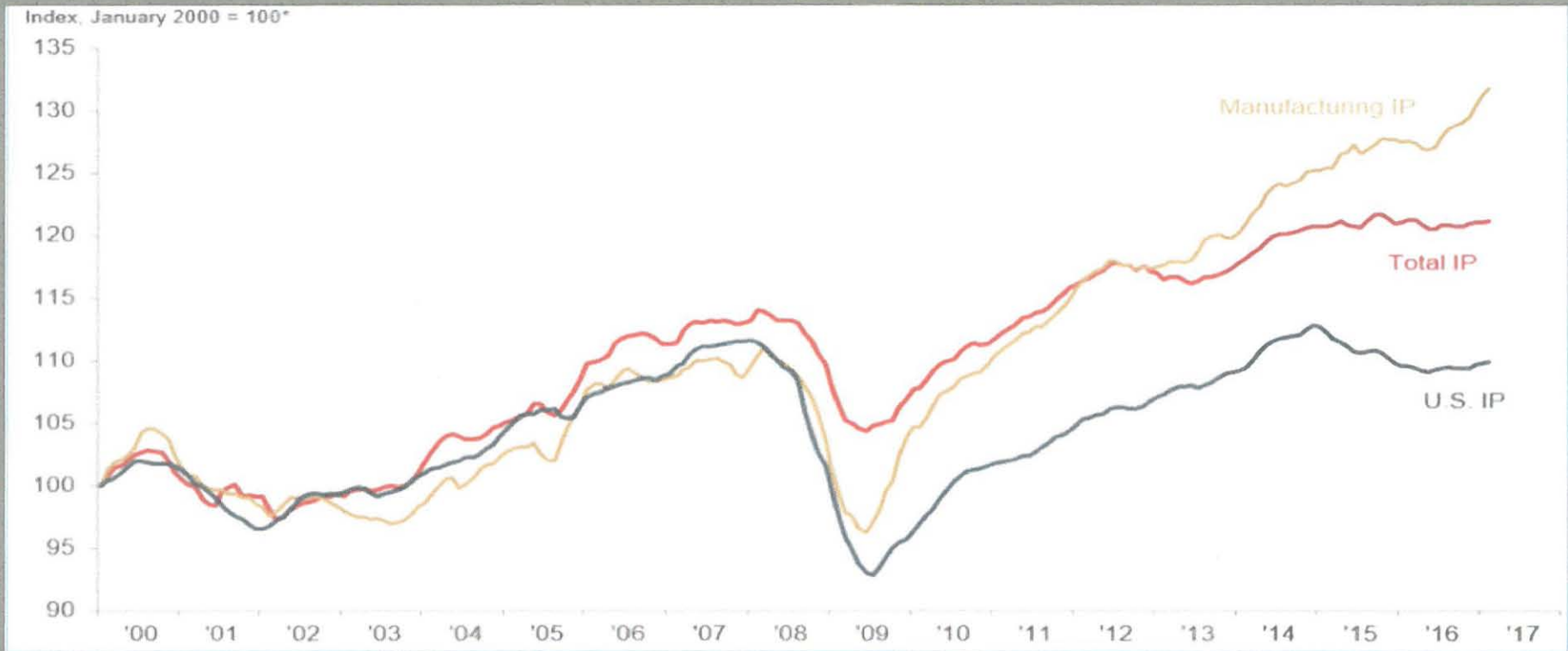


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economic consulting

# External Economic Drivers

## EXTERNAL FACTORS

### US-Mexico Manufacturing



Source: INEGI (Instituto Nacional de Estadística Geografía e Informática)



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# External Economic Drivers

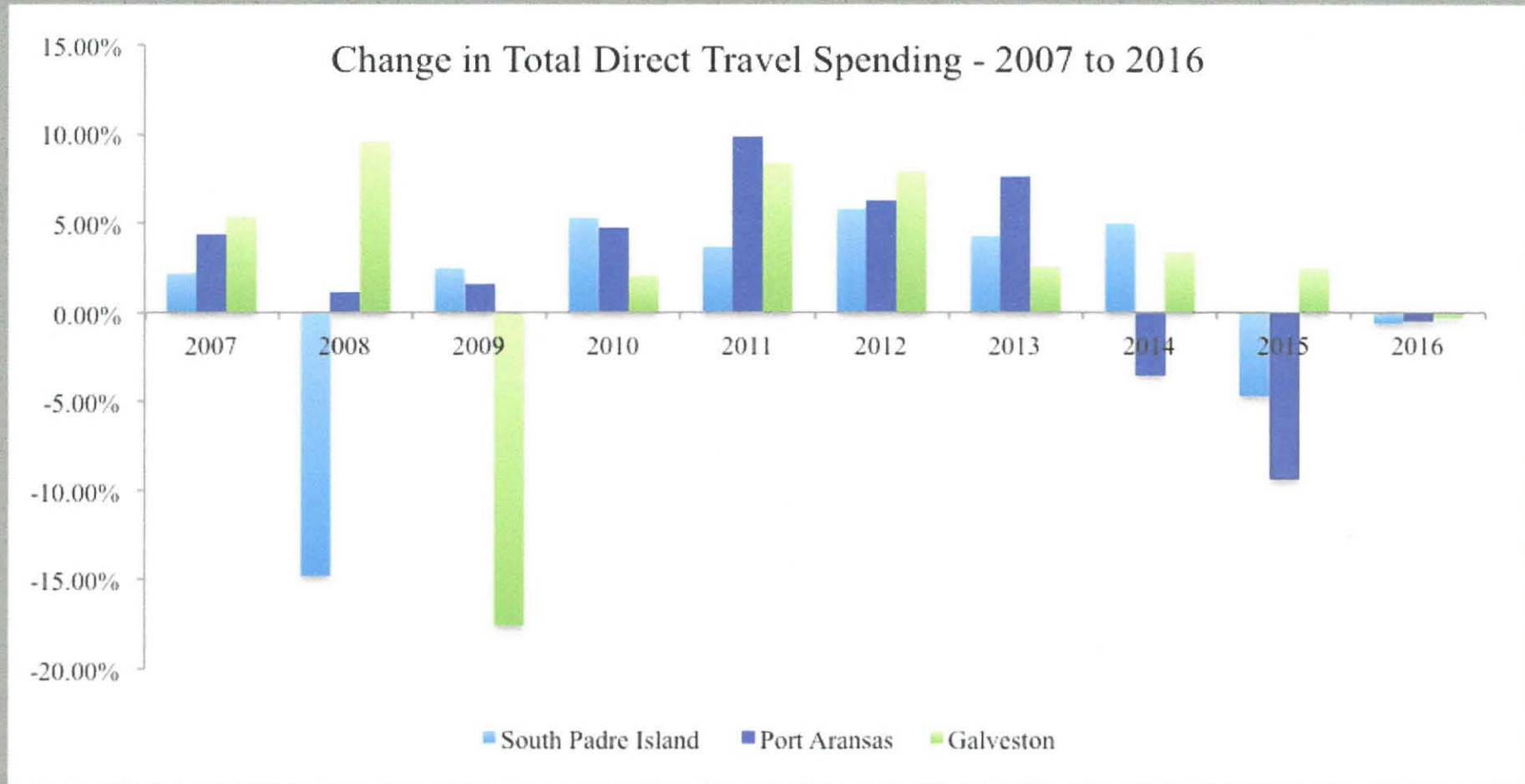
## *MEXICAN FACTORS*

### ● Nuevo Leon-Tamaulipas Manufacturing Hours



Source: INEGI (Instituto Nacional de Estadística Geografía e Informática)

# Benchmarking SPI Visitors Activity

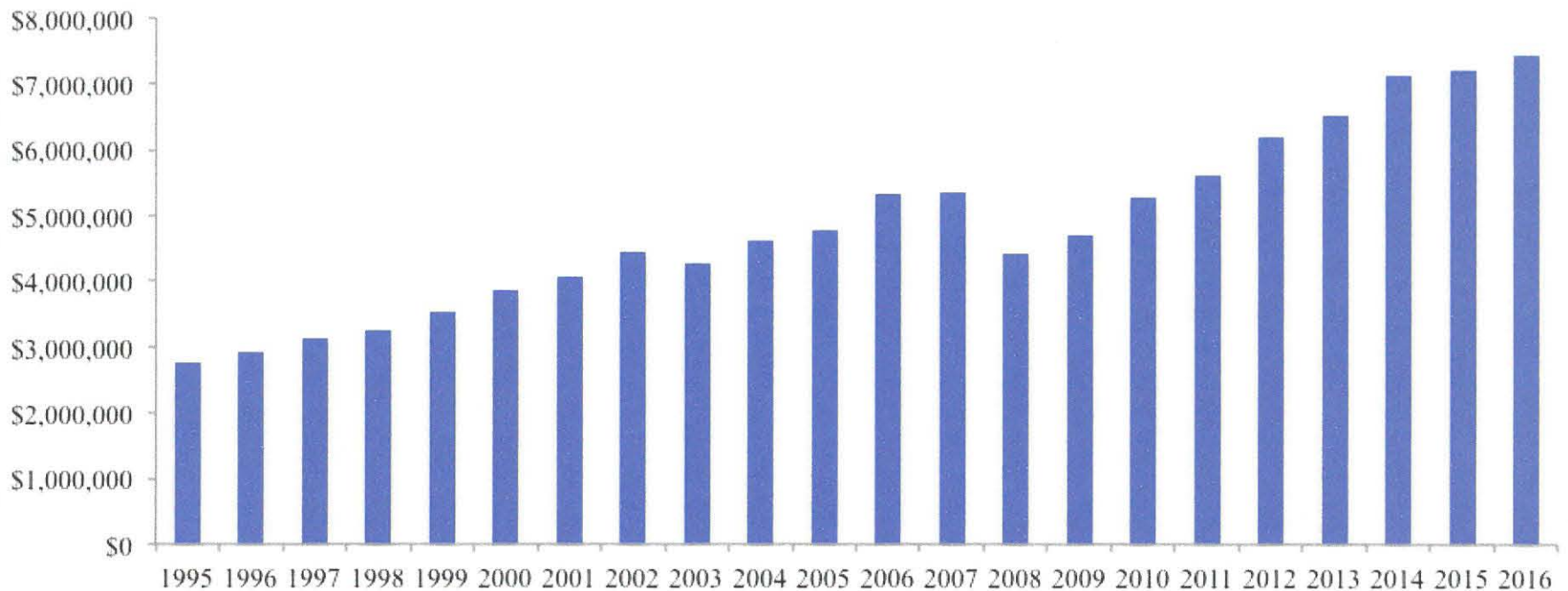


Source: Texas Destinations 2013-2016 Office of Governor, Economic Development Tourism Division

# South Padre Island - Internal Factors

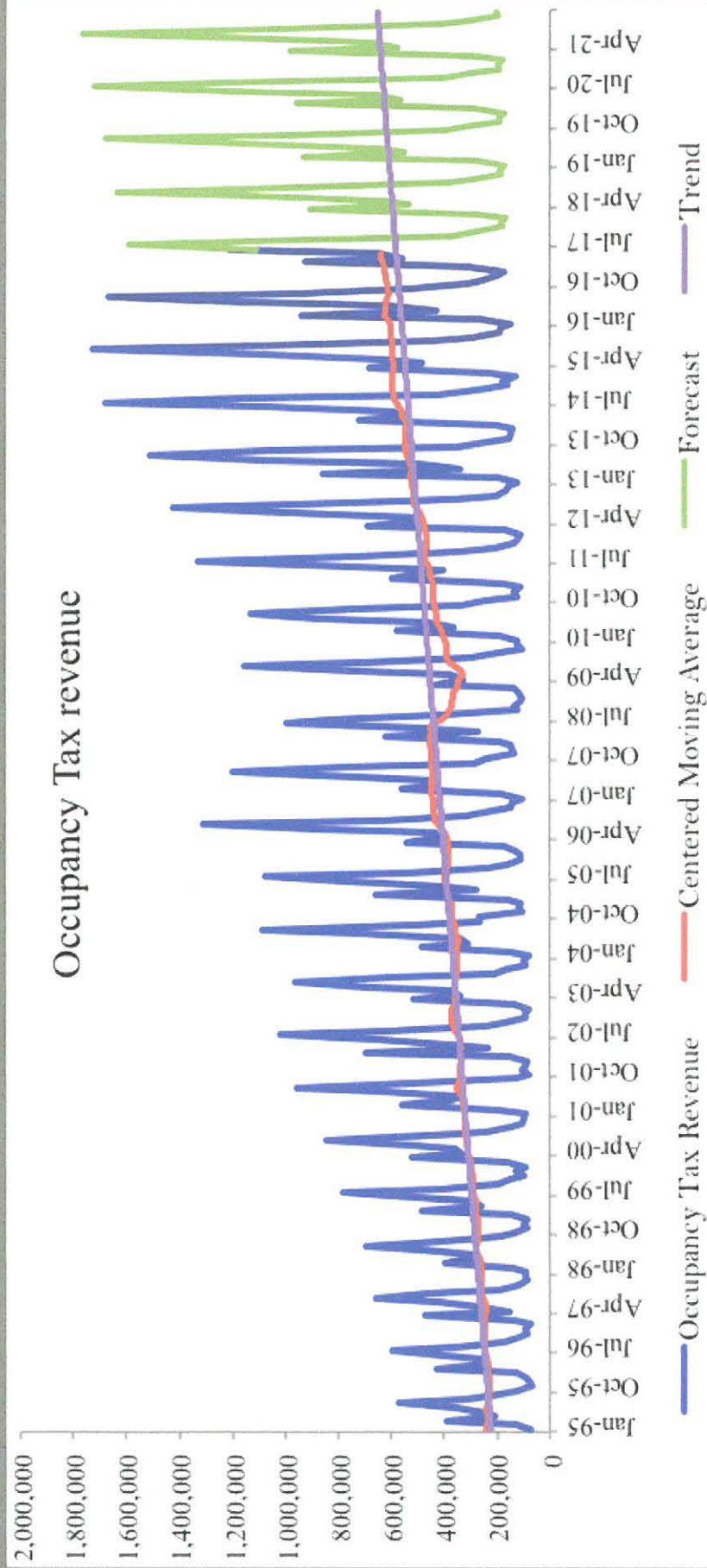
## *HOTEL/MOTEL OCCUPANCY TAX*

Hotel-Motel Occupancy Tax



# South Padre Island - Internal Factors

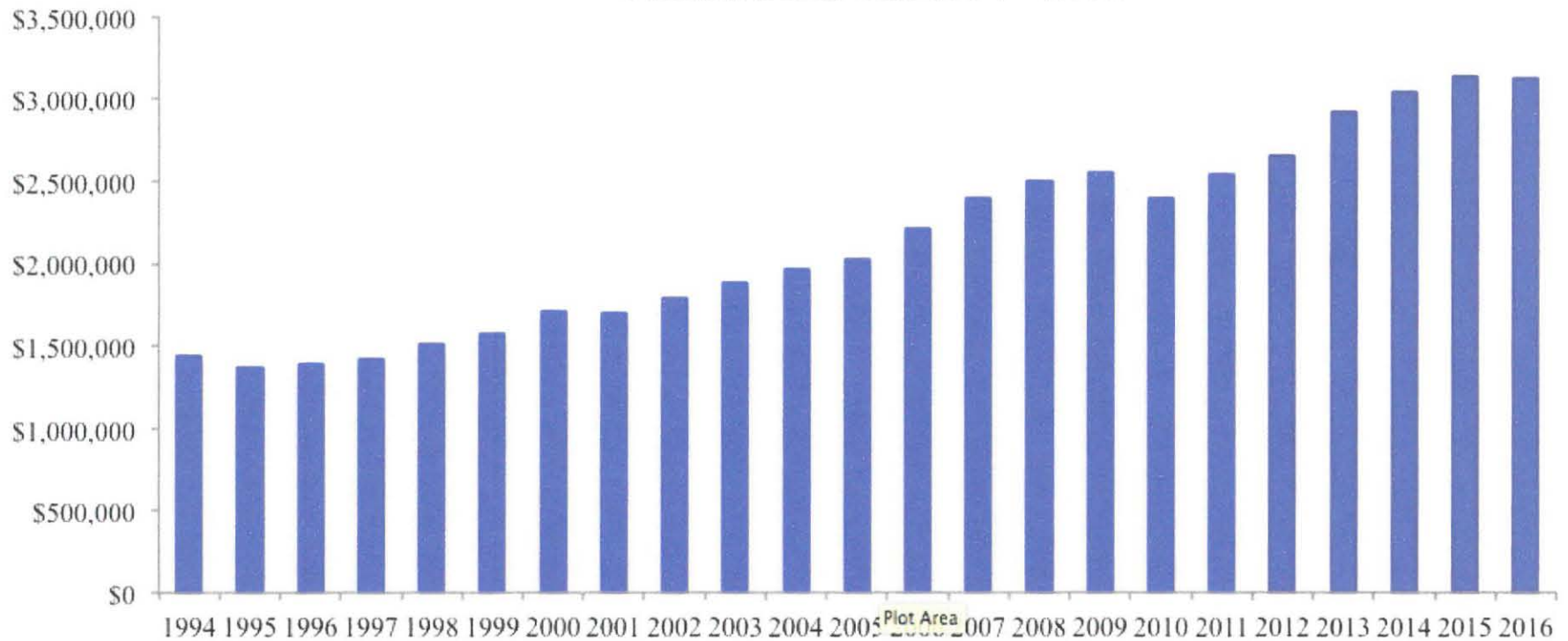
## HOTEL/MOTEL OCCUPANCY TAX



# South Padre Island - Internal Factors

## *SALES TAX*

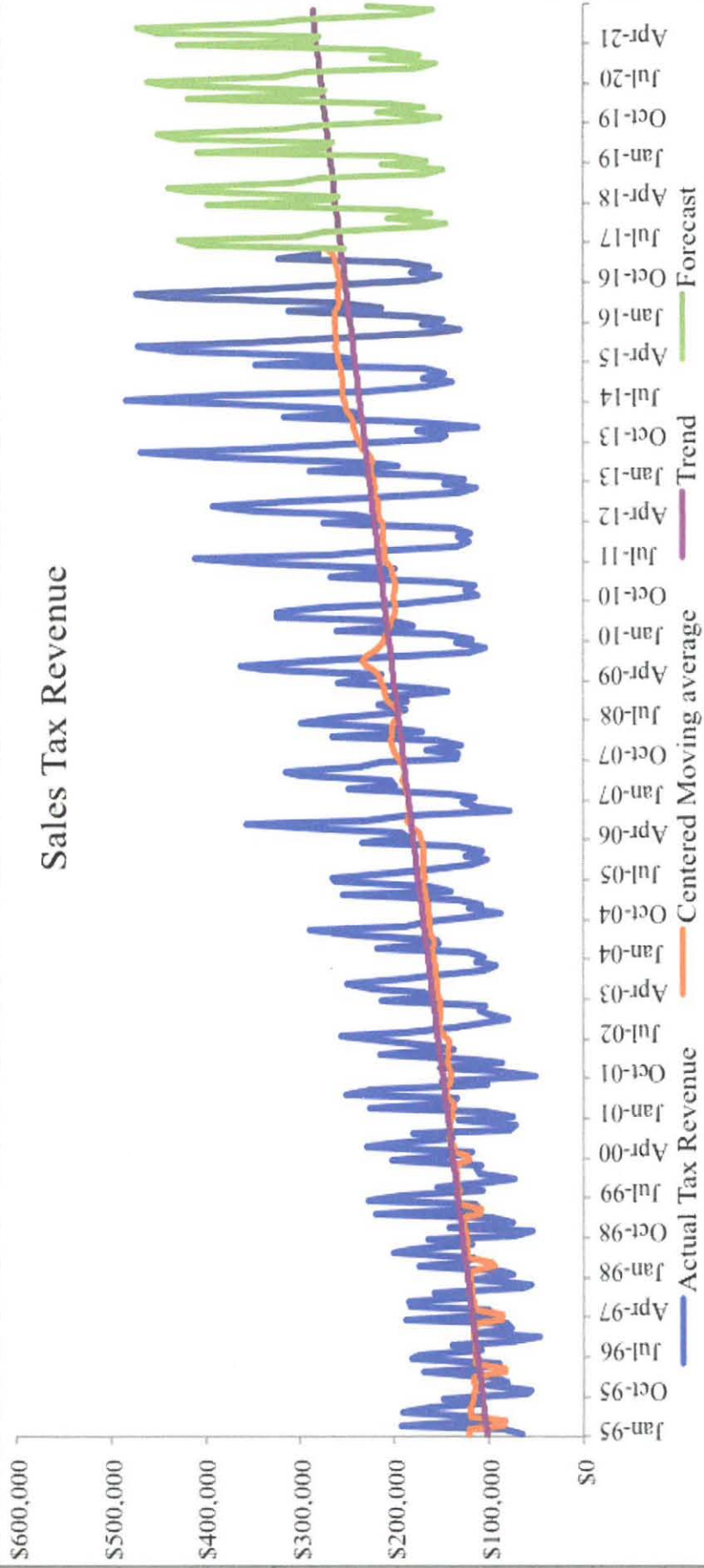
Annual Sales Tax 1994 - 2016





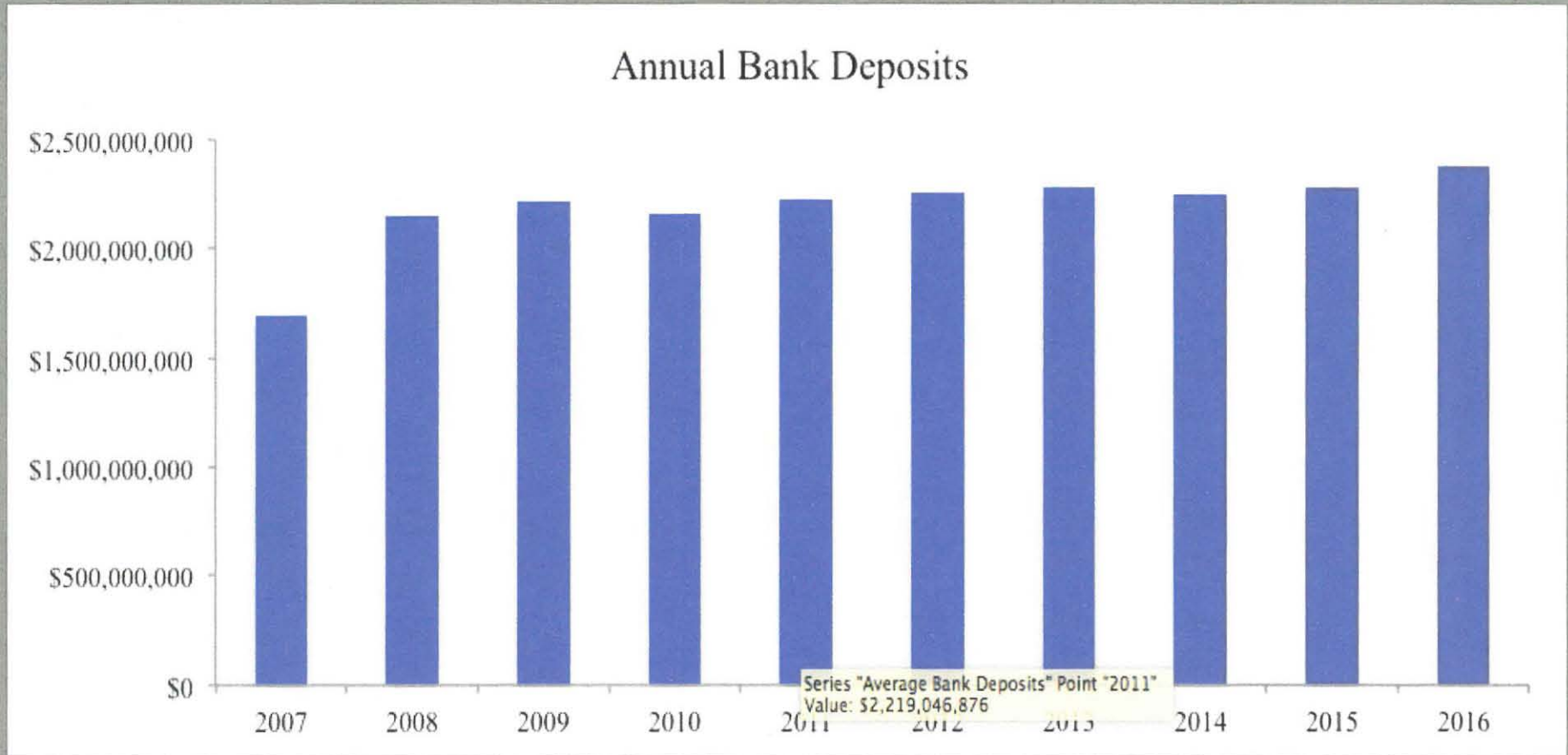
# South Padre Island - Internal Factors

## SALES TAX



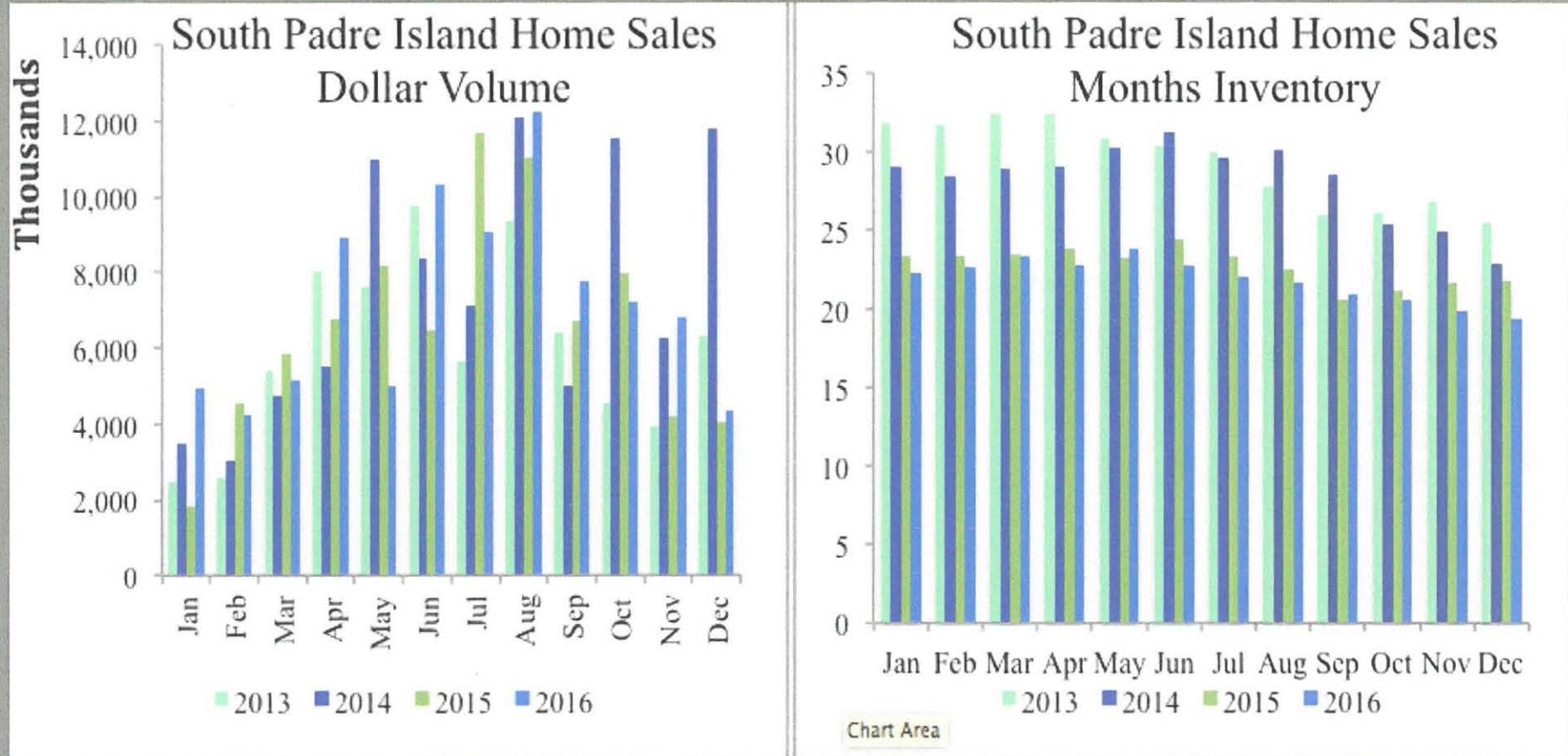
# South Padre Island - Internal Factors

## *BANK DEPOSIT INDEX*



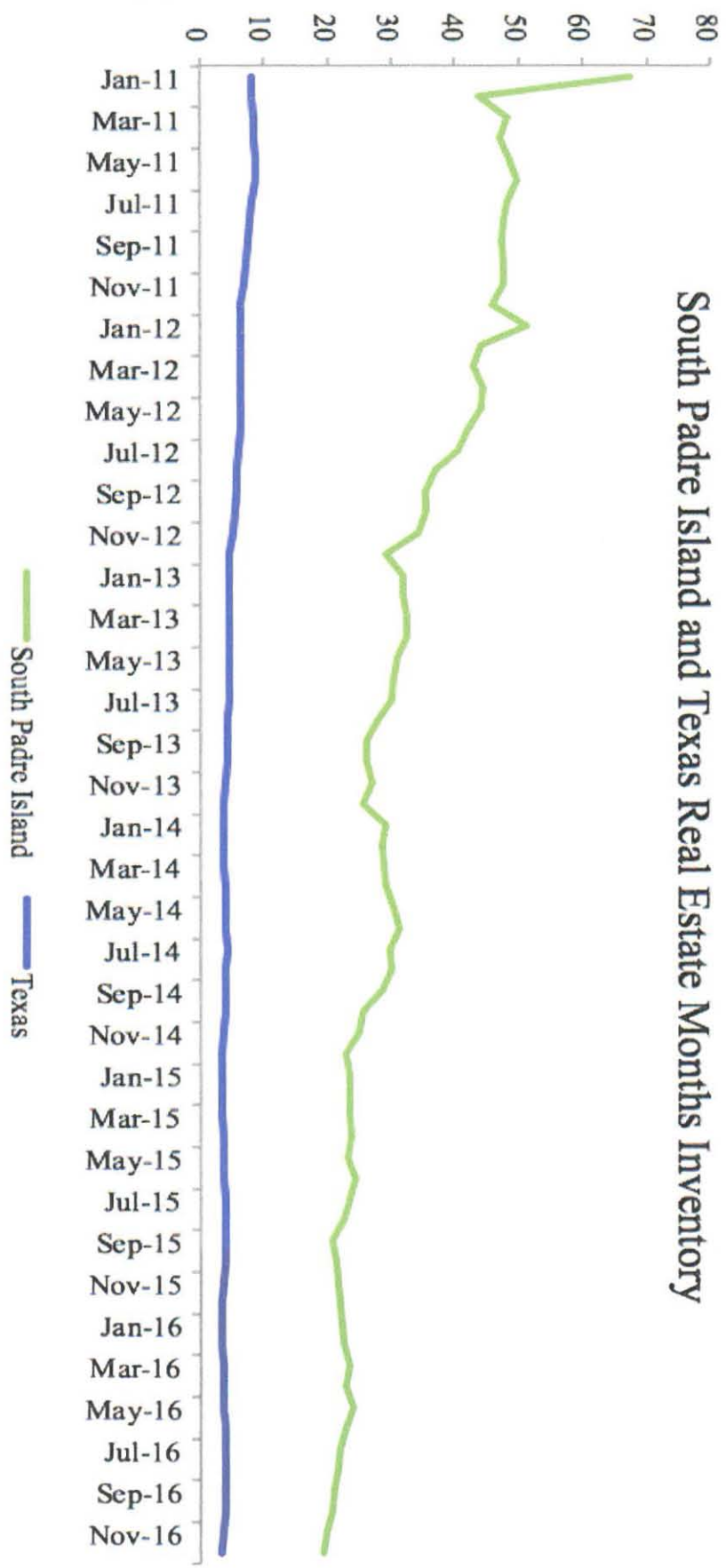
# South Padre Island - Internal Factors

## Real Estate Market



# South Padre Island - Internal Factors Real Estate Market

South Padre Island and Texas Real Estate Months Inventory

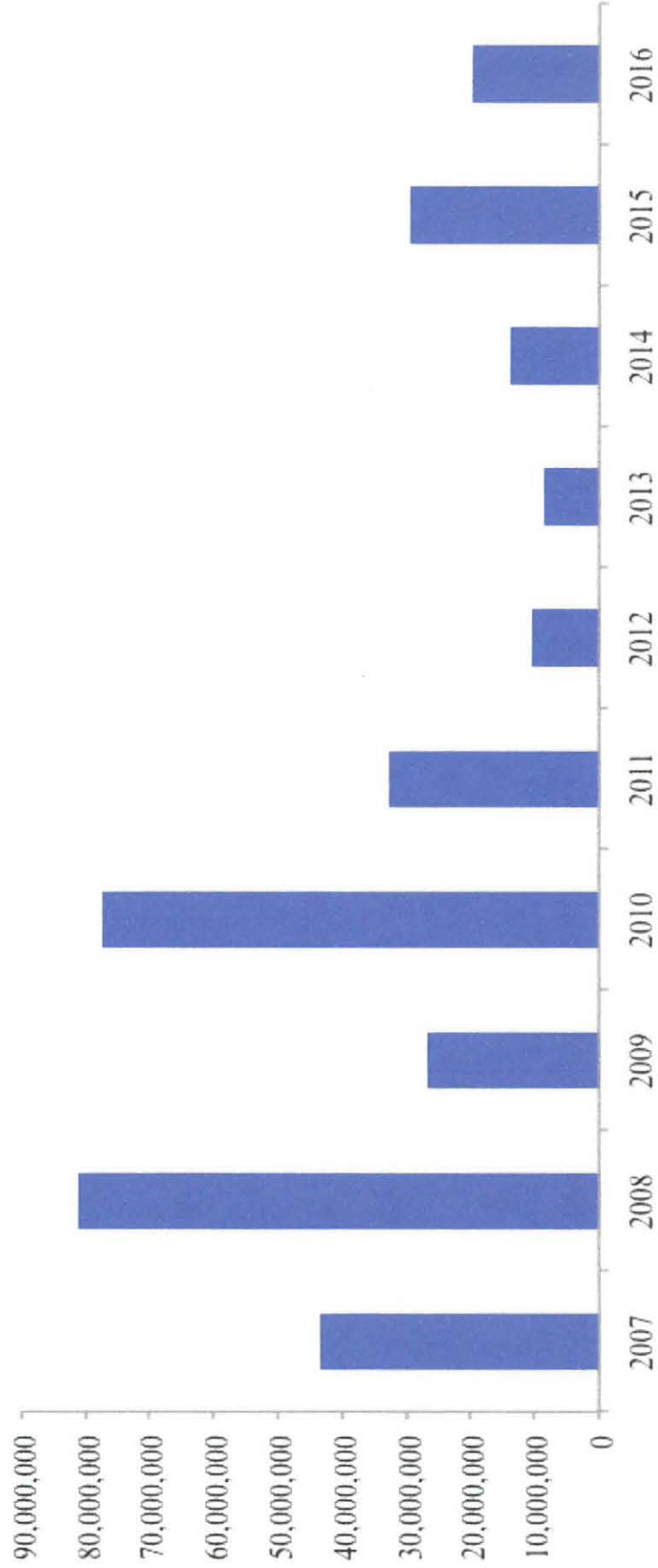


Source: Texas A&M University Real Estate Center

# South Padre Island - Internal Factors

## BUILDING PERMITS INDEX

Annual Building Permits



# Conclusions

- Leading Economic Indices for U.S., Mexico and Texas continue to trend upward.
  - Current economic outlook for the U.S. is at around 2.4 percent in 2017 and decline 2.13 percent in 2018.
  - Texas economy is forecasted to grow at 2.3 percent in 2017 and 1.9 percent in 2018
  - Mexico is forecasted to grow at 2.3 percent in 2017 and 2.7 percent in 2018.
- Increased maquila activity pointing to a strengthening border activity
- The recent drop in the value of the U.S. dollar will somewhat stimulate Texas and U.S. exports
- The real estate market continues to show healthy sign but may have plateaued:
  - Increasing average homes sale prices
  - Increasing home sales
  - Increasing homes sales \$ volume
  - Decreasing home sales months inventory

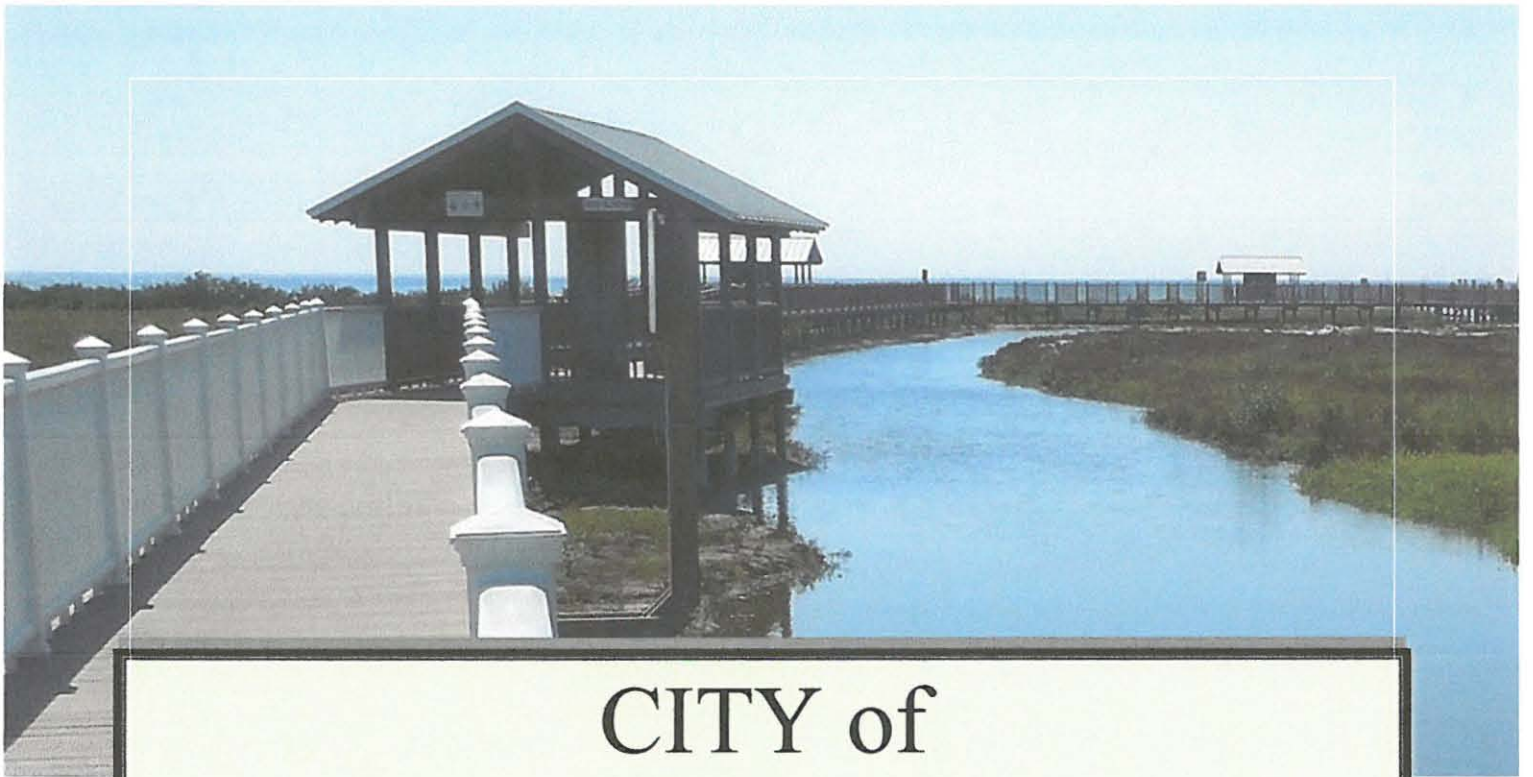


# Conclusions

- Sales tax dropped by 0.5 percent, occupancy tax revenues rose 3.2 percent, mixed beverage tax up 1.06 percent, bank deposits 4.15 percent, and causeway crossing 3.91 percent
- Seasonality and monthly variability in terms of economic activity and magnitude continue to constitute South Padre Island's greatest challenge.

Thank you!





CITY of  
SOUTH PADRE ISLAND  
ECONOMIC INDEX

October 2017

PREPARED FOR  
SOUTH PADRE ISLAND  
ECONOMIC DEVELOPMENT CORPORATION

BY

AARON ECONOMIC CONSULTING, LLC

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## EXECUTIVE SUMMARY

South Padre Island's most important internal drivers – hospitality and tourism, and real estate continue to expand. A decrease in sales tax revenue in the first few months of 2016 caused some concern, but economic activity during the second half of 2016 increased sufficiently to offset the underperformance of the first half of the year. South Padre Island's other performance measures experienced positive growth, including occupancy tax revenue (+3.20 percent), mixed beverage tax revenue (+1.06 percent), bank deposits (+4.15 percent), and causeway crossing (+3.91 percent). Real estate data also showed an improving real estate market with median home sale prices up 0.83 percent, sales up 11.76 percent, listings declining 1.70 percent, and months inventory declining 3.96 percent.

Tourism and hospitality data from Port Aransas, Galveston, and Texas, used to benchmark South Padre Island's economic performance shows that the decline in tax receipts was not restricted to the island but affected Port Aransas, Galveston, and Texas as well. The island outperformed Port Aransas but slightly underperformed Galveston in terms of occupancy and sales tax revenue growth. The four performance indicators Aaron Economic Consulting (AEC) uses to measure the island's performance are expected to continue to show short and medium term overall annual growth with the marked disparities between peak and off-peak months to remain unchanged in the short term. The variability may change as the proposed Liquefied Natural Gas (LNG) projects move to their implementation stage starting in 2017. In addition, Space X project and other proposed projects at South Padre Island most notably a marina and an entertainment district could help smooth out some of the off-season variability. AEC also expect the variability in economic activity to improve as South Padre Island leadership continues to develop strategies to market and attract different demographics during the off-peak months. The expected change in the four indicators will vary between 6 and 64 percent for the occupancy tax revenue for 2017 and 2018, between 6.5 and 7.5 percent for sales tax revenue, and

between 4.5 and 5 percent for bank deposits. Building permits are expected to remain unchanged in 2017 and 2018.

External economic drivers indicate that the economies of Texas, the U.S. and Mexico will continue to grow in the short and medium term, with the magnitude of Mexico's impact on the region's economy still ambiguous because of president Trump's trade policy.

The Conference Board Leading Economic indices for the U.S. and Mexico and the Federal Reserve Bank of Dallas Leading Economic index show that the U.S. will grow at 2.4 percent in 2017 and decline by 2.13 percent in 2018 and 2.0 percent in 2019. The economic outlook for Mexico is 3.2 percent growth in 2017 and 3 percent average growth between 2018 and 2019. Texas' is expected to grow at 2.3 percent in 2017 and 1.9 percent in 2018 and 2019.

The optimistic outlook for the short term for the U.S. and Texas, point to an expansion of economic activity in South Padre Island, but the uncertainty around president Trump trade policies makes the impact of an expanding Mexican economy ambiguous.

## 1. Introduction

This report provides a summary of the economic performance for 2016 for the city of South Padre Island, Texas and makes economic forecasts for the following two years. The report presents an analysis of macroeconomic factors that affect the economy of the city of South Padre Island by looking at a number of economic indicators and leading economic indices for Texas, the U.S. and Mexico. It also includes measures of economic performance based on key local economic indicators such as occupancy tax, sales tax, building permits, and bank deposits.

This reports is designed to inform stakeholders about external factors affecting the city and to measure the annual economic performance of the city. For example, there was some concern that declining sales tax revenue for the months of March and April 2016, compared to the same months for the two previous years, was an indication that the island's annual performance would be catastrophic. However, sales tax revenue increases during the second half of the year helped offset the declines.

AEC provided economic performance data for other Gulf Coast destinations (Galveston and Port Aransas) and Texas as a way to benchmark and compare performances. Benchmarking economic performances and assessing the island's external factors helps to identify underperforming areas, and formulate careful economic planning decisions. Principally, this report is a first step in capitalizing on strengths and mitigating weaknesses to take advantage of identified opportunities and guard against threats.

AEC provides a summary of external macroeconomic factors for Texas, the U.S, and Mexico that affect the economic performance of South Padre Island. South Padre Island's primary vocation is hospitality and tourism, an export industry with a strong dependence on economic conditions of originating regions. Tourism data from the Office of the Governor of Texas show that Texas contributes approximately two-thirds of all visitors to South Padre Island, and the remaining one-third is divided equally between the rest of the U.S. and Mexico.

AEC uses Leading Economic Indexes (LEI) to evaluate the state of the economy in the main originating areas, Texas, the U.S., and Mexico. The Federal Reserve Bank of Dallas prepares the Texas LEI while the Conference Board computes the LEI for the U.S., and Mexico. The LEIs are comprehensive composite indices comprised of a number of leading economic indicators that predict economic changes 6 to 12 months before they happen. In addition, AEC uses a series of other economic indicators to support and confirm information contained in the leading economic indices.

For comparative consistency with previous reports, AEC kept 2007 as a base year when creating performance indexes (Hotel Occupancy Tax, Sales Tax, Building Permits, and Bank Deposits). AEC recognizes that the island is a premier tourist destination and its economy is almost exclusively built around the tourism and hospitality industry and real estate.

Similar to earlier reports, this report is divided into two main sections: 1- an external macroeconomic factors section that examines the state of the economy in the three originating areas, Texas, the U.S., and Mexico, including forecasts based on LEIs, and 2- a local economic performance section that uses Occupancy Tax, Sales Tax, Bank Deposits, and Building Permits Valuation to examine the annual performance and make forecasts for the next two years.

## 2. Methodology and Data

AEC uses the same approach used in previous reports for ease of comparison across different years. AEC uses comparative benchmarking to provide South Padre Island officials and stakeholders a meaningful way to evaluate the island's economic performance relative to other Gulf Coast destinations. The South Padre Island Economic Development Corporation (SPI-EDC) and Office of Governor, Economic Development Tourism Division, Texas A&M Real Estate Center, and the National Association of Realtors provided economic performance time series data used in this report, while the Federal Reserve Bank of Dallas, the Conference Board,

Bureau of Economic Analysis, Bureau of Labor Statistics, Instituto Nacional de Estadística y Geografía (INEGI), and Banco de Mexico provided macroeconomic data.

AEC corrected some of the data provided by SPI-EDC for seasonality, and then deflated it using the Consumer Price Index with 2007 as a base year. AEC computed an index for all performance indicators as a way to standardize the information contained in each indicator. The indicator's base year has a value of 100 and any deviation from the base year measure the performance percentage change. For example, a sales tax index of 90 indicates a 10 percent decline in sales tax revenue relative to the base year, whereas an index value of 110 shows a 10 percent increase.

### 3. South Padre Island

#### *Total Direct Visitor Spending*

The 2016 Texas Tourism Region and MSA Visitors Profile report<sup>1</sup> shows that Texans generated 69.5% of Person-Days to the Brownsville-Harlingen, TX MSA while non-Texans generated 30.5%. The top Texan origin DMAs are Harlingen-Weslaco-Brownsville-McAllen, San Antonio, Houston while the top non-Texan DMAs are Minneapolis-St. Paul, MN, Paducah, KY, Cape Girardeau, MO, Harrisburg-Mt. Vernon, IL, Lexington, KY. Leisure travel represented 96.6% of Person-Days to the Brownsville-Harlingen, MSA. Visitors participated in a variety of activities: Nature 67.0%, Family/Life Events 42.5%, Libation/Culinary 32.9%, Culture 28.0%, Outdoor Sports 25.9%, Attractions 25.8%, and General 44.6%. The average Per Person Per Day Spending was \$120.30 and the average length of stay was 2.64 days for both

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<sup>1</sup> [https://travel.texas.gov/tti/media/PDFs/2016-Gulf-Coast-Region-Final\\_2.pdf](https://travel.texas.gov/tti/media/PDFs/2016-Gulf-Coast-Region-Final_2.pdf)



overnight and days and 3.24 nights for overnight only. Approximately 93% of visitors traveled by car while another 7% traveled by air. The average distance traveled was 501 miles.

Table 1: Top Origin DMAs (Person/Days)

MSA			
Top Origin DMAs (Person/Days)			
In State DMAs		Out of State DMAs	
Total Texans (Interstate)	69.50%	Total Non-Texans (Interstate)	30.50%
<i>Harlingen-Weslaco-Brownsville-McAllen</i>	19.40%	<i>Minneapolis-St Paul, MN</i>	4.80%
<i>San Antonio</i>	18.90%	<i>Paducah, KY, Cape Girardeau, MO, Harrisburg-Mt Vernon, IL</i>	4.40%
<i>Houston</i>	13.00%	<i>Lexington, KY</i>	3.90%
<i>Dallas-Fort Worth</i>	8.90%	<i>Peoria-Bloomington, IL</i>	3.00%
<i>Austin</i>	3.40%	<i>Chicago, IL</i>	2.90%
<i>Corpus Christi</i>	2.20%	<i>Denver, CO</i>	2.50%
<i>Laredo</i>	2.10%	<i>Knoxville, TN</i>	1.60%
<i>Waco-Temple-Bryan</i>	1.50%	<i>Mankato, MN</i>	1.00%

Source: Texas Destinations 2016, Office of the Governor, Economic Development & Tourism Division

Table 2: Top Origin DMAs (Person/Days)

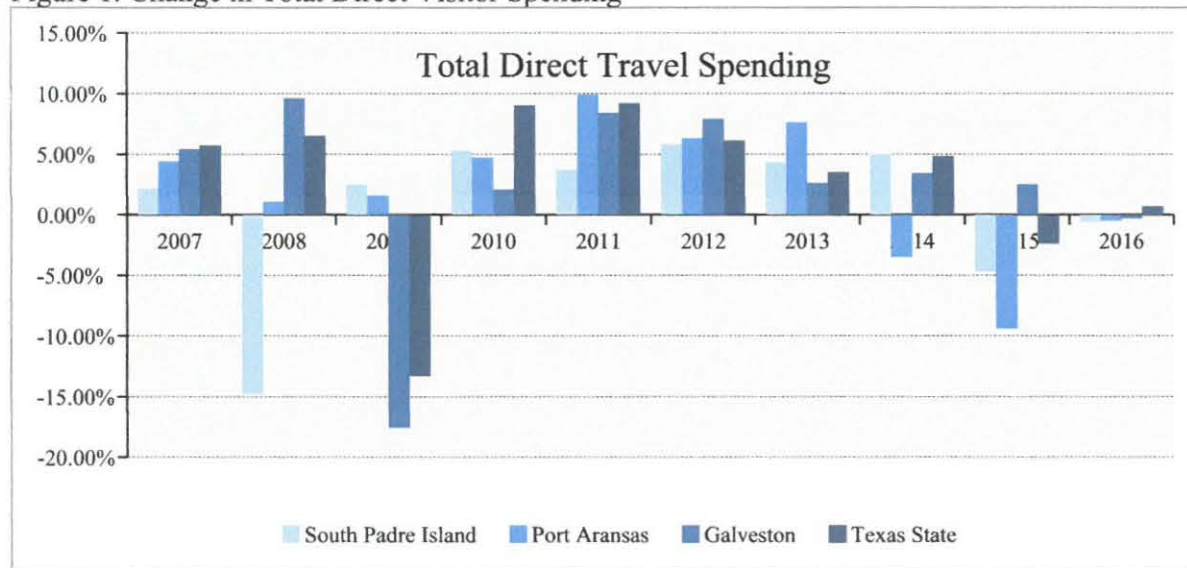
MSA			
Activity Summary (Stays)			
<b><i>Attractions (Net)</i></b>	<b>25.80%</b>	<b><i>Nature (Net)</i></b>	<b>67.00%</b>
<i>Nightlife (Bars, Nightclubs, etc.)</i>	16.90%	<i>Beach/Waterfront</i>	63.70%
<i>Theme/Amusements/Waterparks</i>	4.80%	<i>Wildlife Viewing</i>	15.20%
<i>Zoo/Aquarium</i>	4.70%	<i>Parks</i>	9%
<b><i>Culture (Net)</i></b>	<b>28%</b>	<b><i>Outdoors Sports</i></b>	<b>25.90%</b>
<i>Touring/Sightseeing</i>	11.70%	<i>Water sports</i>	10.20%
<i>Historic Sites</i>	7.10%	<i>Fishing</i>	8.90%
<i>Concerts/Theater/Dance.Etc.</i>	5.80%	<i>Biking</i>	6.10%
<b><i>Family/Life Events (Net)</i></b>	<b>42.50%</b>	<b><i>General (Net)</i></b>	<b>44.60%</b>
<i>Visit Friends/Relatives (General Visit)</i>	22.30%	<i>Shopping</i>	30.00%
<i>Holiday Celebration</i>	13.90%	<i>Business</i>	5.90%
<i>Personal Special Event</i>	9.20%	<i>Religious/Faith Based Conference</i>	5.60%
<b><i>Libation and Culinary (Net)</i></b>	<b>32.90%</b>		

<i>Culinary/ Dining Experience</i>	32.70%
<i>Winery/Distillery/Brewery Tours</i>	6.10%

Source: Texas Destinations 2016, Office of the Governor, Economic Development & Tourism Division

More than two thirds of visitors to the Brownsville-Harlingen, MSA visit South Padre Island. Figure 1 below shows the change in total direct visitor spending declined in the second year in a row in South Padre Island and Port Aransas, while it increased in Galveston in 2015 and declined in 2016. The decline in South Padre Island was one half of one percent in 2016. The average annual rate of growth in total direct travel spending from 2010 to 2016 was 2.7 percent. South Padre Island’s total direct visitor spending grew for the sixth year in a row. South Padre Island total direct visitor spending increased from \$342million in 2013 to \$359 million in 2014, and decreased to \$342 million in 2015 and \$340 million in 2016.

Figure 1: Change in Total Direct Visitor Spending

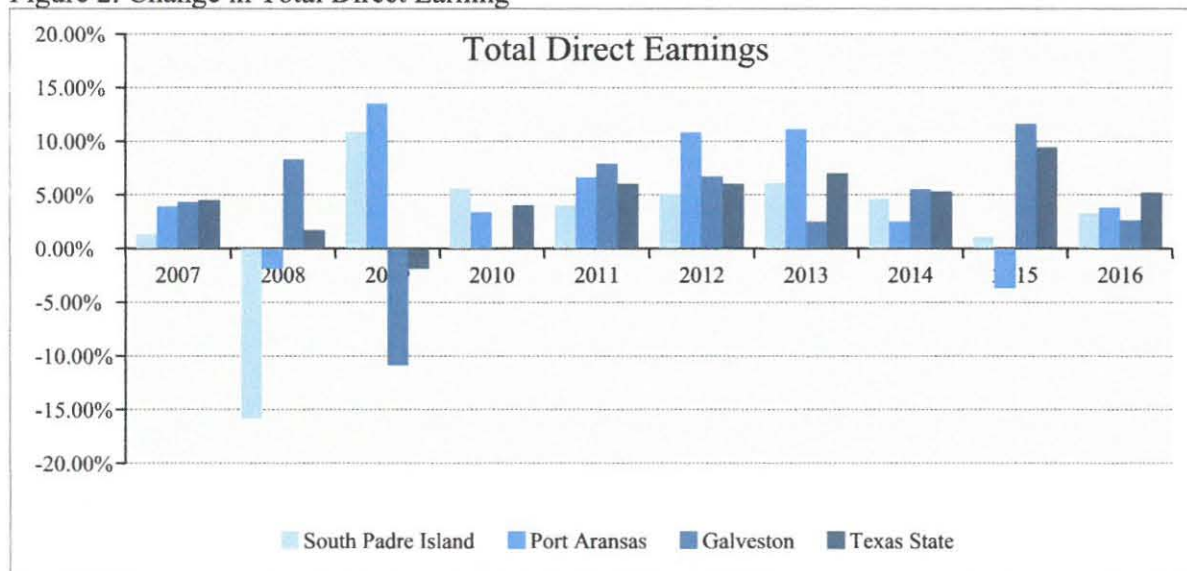


Source: Office of the Governor, Economic Development and Tourism

*Total Direct Earning*

In spite of a decrease in total direct travel spending, total direct earnings in South Padre Island grew for the seventh year in a row at an annual rate of 4.26 percent. The island's total direct earning growth was the third fastest growth rate for the second year ahead of Texas and Galveston, but trailing Port Aransas in 2016. South Padre Island's total direct earnings increased from \$87 million in 2013 to \$91 million in 2014, to \$92 million in 2015, and \$95 million in 2016. Figure 2 shows the change in total direct earning between 2007 and 2016.

Figure 2: Change in Total Direct Earning



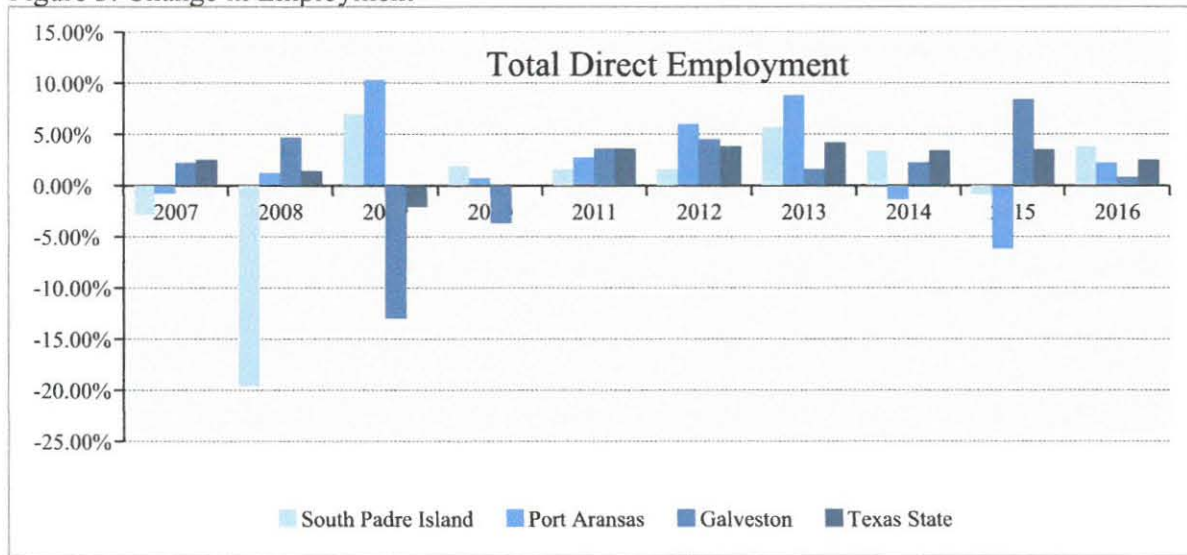
Source: Office of the Governor, Economic Development and Tourism

### *Annual Change in Employment*

South Padre Island's hospitality and tourism employment increased in 2016 to 4,400 jobs from 4,200 jobs in 2014 and 2015. Employment continues its upward trend after stalling in 2015. The number of jobs at the island rose from 4,100 jobs in 2013 to 4,200 jobs in 2014 and

2015 and 4,400 in 2016. Employment growth rate between 2011 and 2016 was 15.79 percent. The average annual growth rate between 2011 and 2016 was 2.63 percent.

Figure 3: Change in Employment

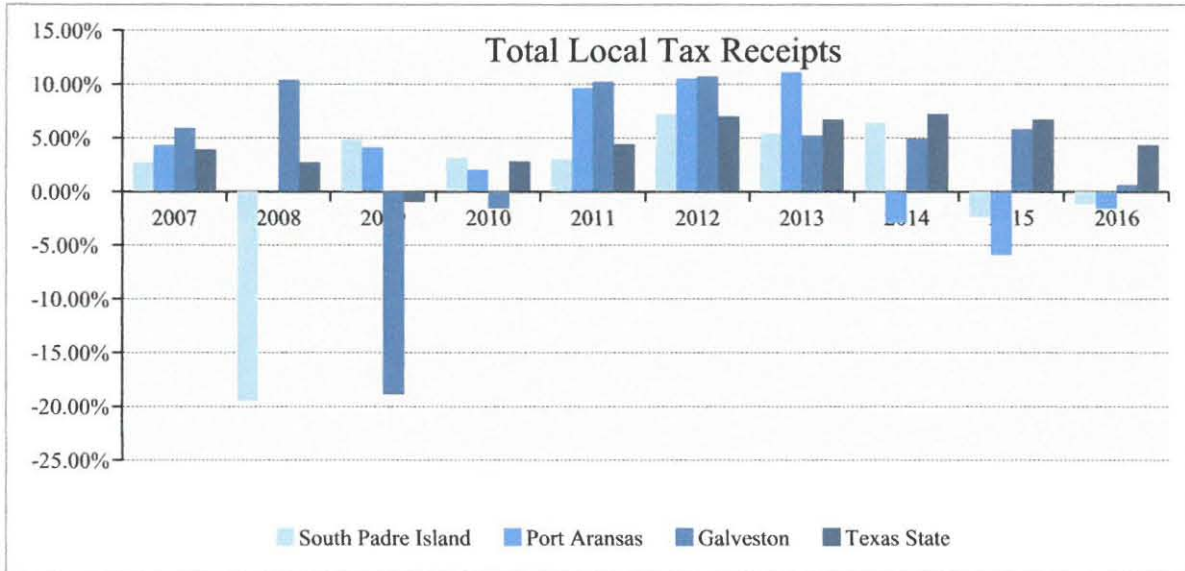


Source: Office of the Governor, Economic Development and Tourism

### Annual Change in Tax Receipts

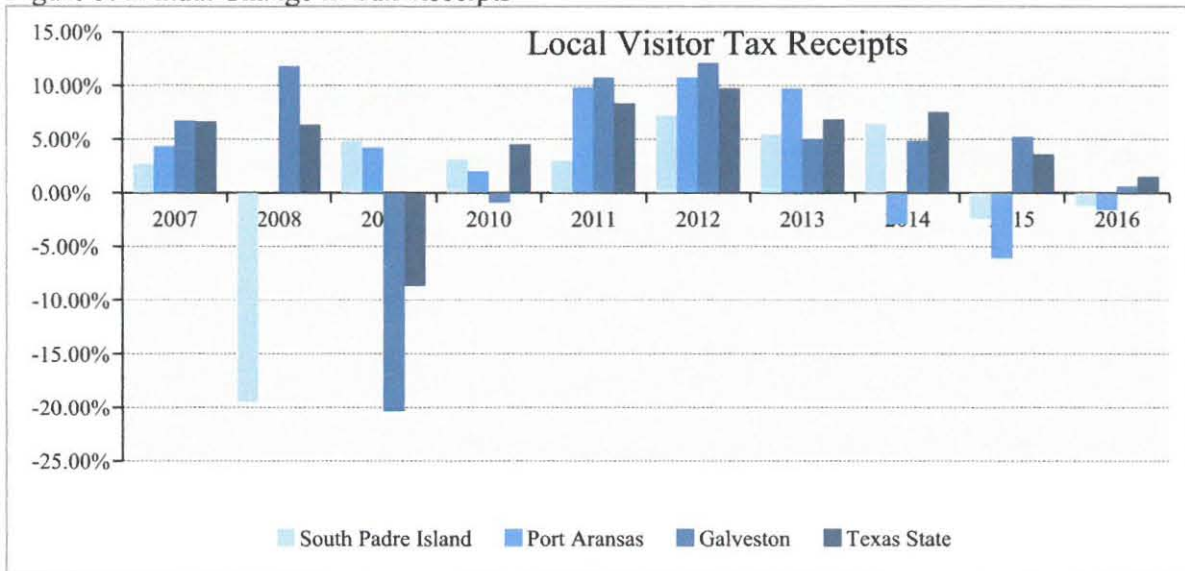
South Padre Island’s tax receipts grew between 2009 and 2014, during that period South Padre Island’s tax receipts growth rate was second only to Texas’ growth rate. Tax receipts decreased by 2.4 percent in 2015, 1.2 percent in 2016. The growth rates in tax receipts for the island between 2011 and 2016 was positive with an average annual growth rate of 3.07 percent.

Figure 4: Annual Change in Tax Receipts



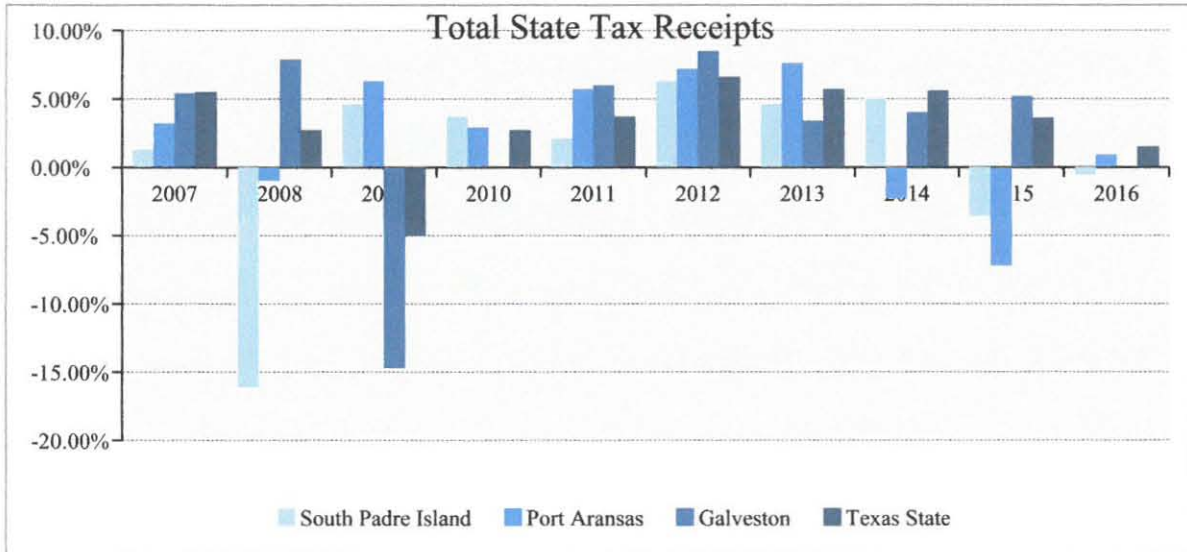
Source: Office of the Governor, Economic Development and Tourism

Figure 5: Annual Change in Tax Receipts



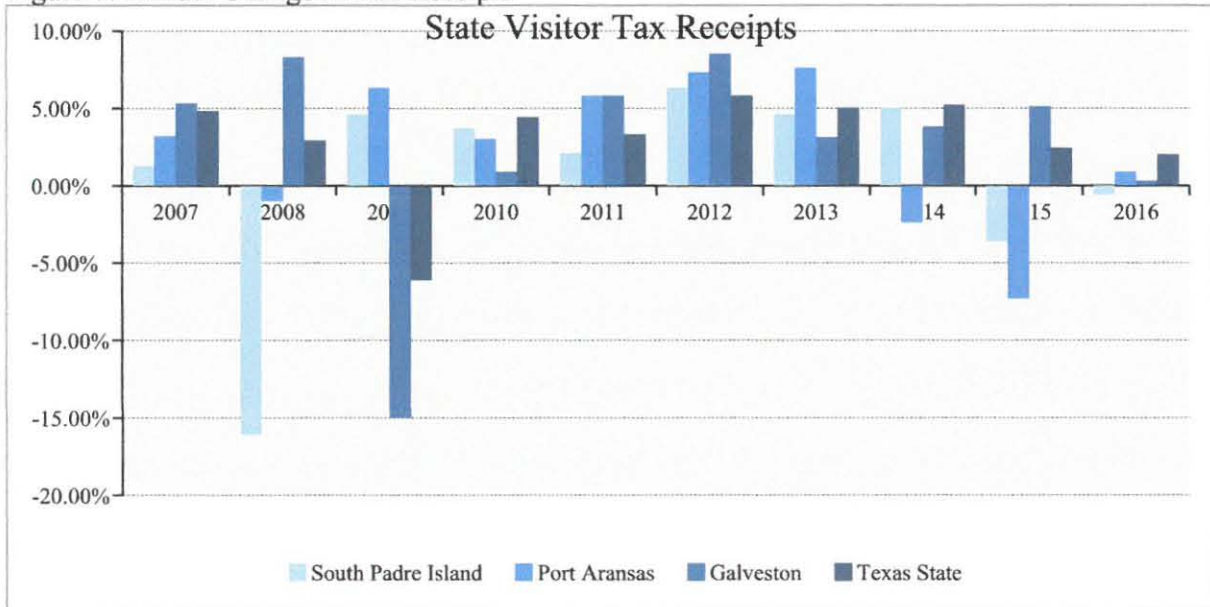
Source: Office of the Governor, Economic Development and Tourism

Figure 6: Annual Change in Tax Receipts



Source: Office of the Governor, Economic Development and Tourism

Figure 7: Annual Change in Tax Receipts



Source: Office of the Governor, Economic Development and Tourism

## *Winter Texans*

Winter Texans represent an important demographic for the Rio Grande Valley, especially during off-peak months when economic activity at the island slows down. Their contribution to the island's economy is important as they are a critical demographic for the island property rental business during off-peak months. According to recent reports in local news and a recent study by the University of Texas-Pan American's Business and Tourism Research Center, the number of Winter Texans has declined in recent years. The study states that Winter Texans spending has declined from \$800 million in 2009-2010 to \$710 million in 2013, a sizeable decrease in spending of more than 11 percent. The study cites a number of factors as the reasons for the decrease in Winter Texans; chief amongst them is poor health. However, recent estimates show an increase in the number of winter Texas in the Lower Rio Grande Valley and South Padre Island may have increased. In addition, the impact of hurricane Harvey on Port Aransas and Galveston infrastructure could push some of the winter Texans that usually stay in those two communities to relocate to South Padre Island. It is too early to determine if the recent increase in winter Texans is permanent or temporary.

#### 4. South Padre Island's External Economic Drivers

Leading economic indices are composite weighted averages of several individual leading indicators. They are the fundamental components that signal peaks and troughs in a business cycle. Individual leading indicators are combined to form leading indices that help identify common changing patterns in economic data in a clear and convincing manner. The advantage of using leading indices instead of leading indicators is that combining leading indicators smooths out some of the volatility of individual indicators.

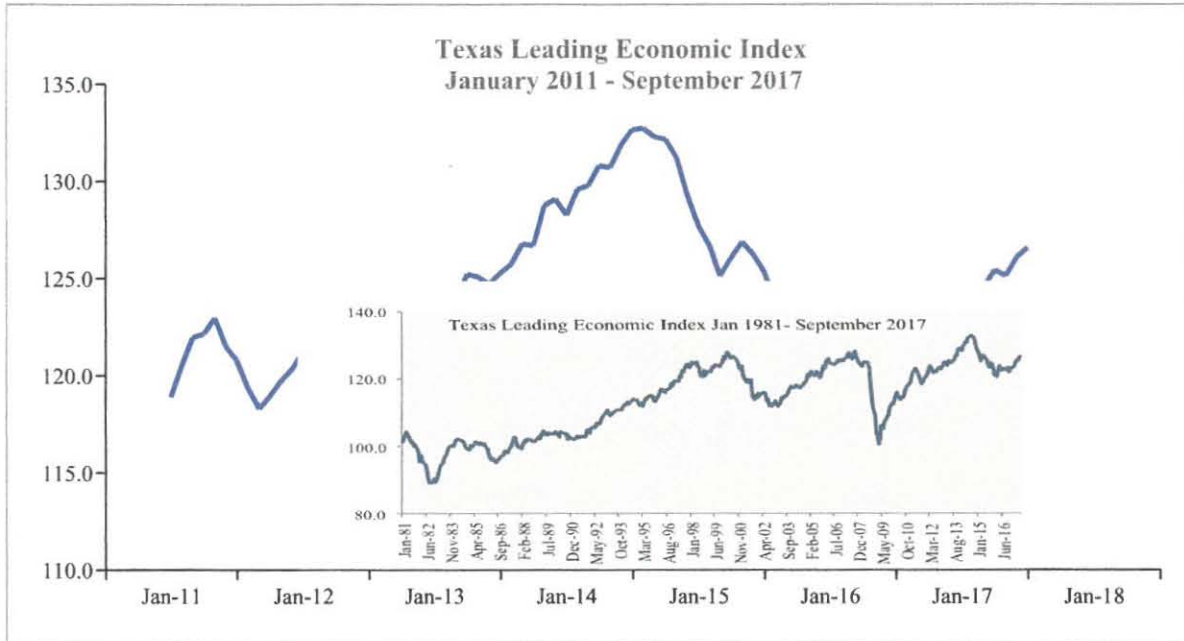
## *STATE FACTORS*

### *Texas Leading Economic Index*

The Texas Leading Index is a composite of eight leading indicators. They include the Texas value of the dollar, U.S. leading index, real oil price, well permits, and initial claims for unemployment insurance, Texas stock index, help-wanted index and average weekly hours worked in manufacturing. The Dallas Fed report for 2016 indicates continuous expansion of Texas' economy. The Texas Business Outlook Surveys (TBOS) shows that manufacturing and services continues to expand. It also shows that payroll employment fast growth during the second half of the year offset the very slow growth during the first half. The Manufacturing Outlook Survey (TMOS) production index shows six consecutive months of continuous growth in the manufacturing sector. The Dallas Fed's Texas employment forecasts 1.5 percent job growth in 2016 and 2.1 percent in 2017. All sectors within the service industry continue to add jobs at a healthy pace and goods-producing industries have improved considerably. Most metropolitan areas, with the exception of San Antonio and Austin, have experienced fast job growth. For example, Dallas job growth was 4.6 percent annualized rate over the four months through October, more than twice the national average, while Fort Worth job growth was 3.1 percent because of improvement in manufacturing sectors. The energy sector has remained stable as crude oil prices have remained above the \$40 per barrel threshold. However, the strengthening of the Texas trade-weighted value of the dollar continues to constitute a challenge for Texas manufacturers as it makes Texas exports relatively more expensive.

Figure 8: Texas Leading Economic Index



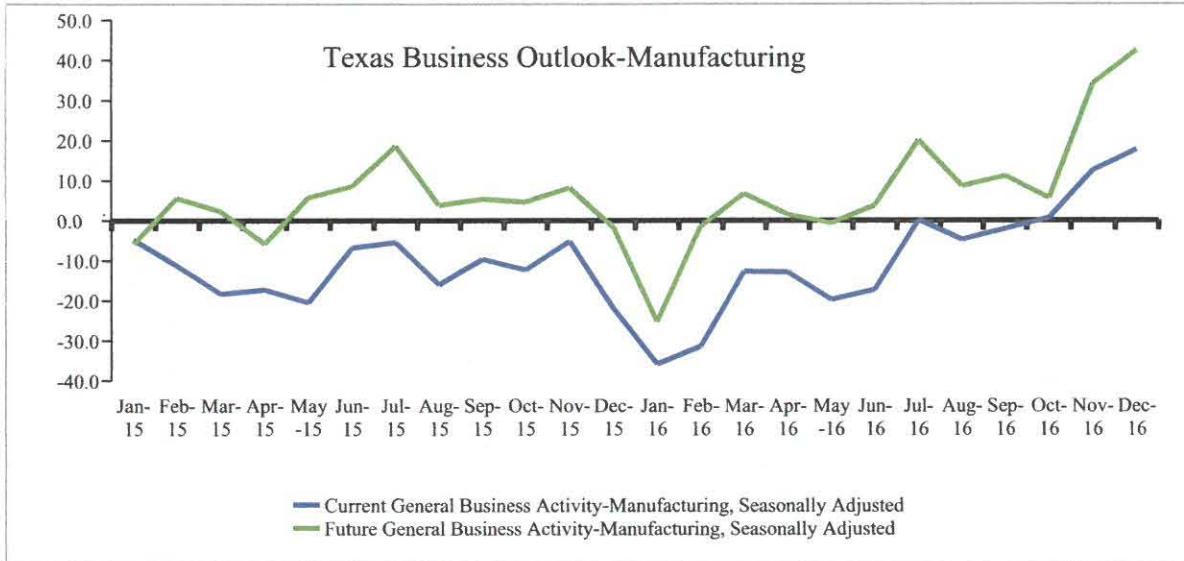


Source: Federal Reserve Bank of Dallas

Texas Leading Index in Figure 8 shows that between 2014 and 2015 the index was downward sloping indicating a slowing down of Texas' economy for the later part of 2015 and first part of 2016. The index also shows that after 2015 the index changed direction and started trending upward with a reasonably steep slope suggesting a relatively fast expanding economy. Texas Leading Index rose by 4.05 percent in 2014, and declined by 4.35 percent in 2015.

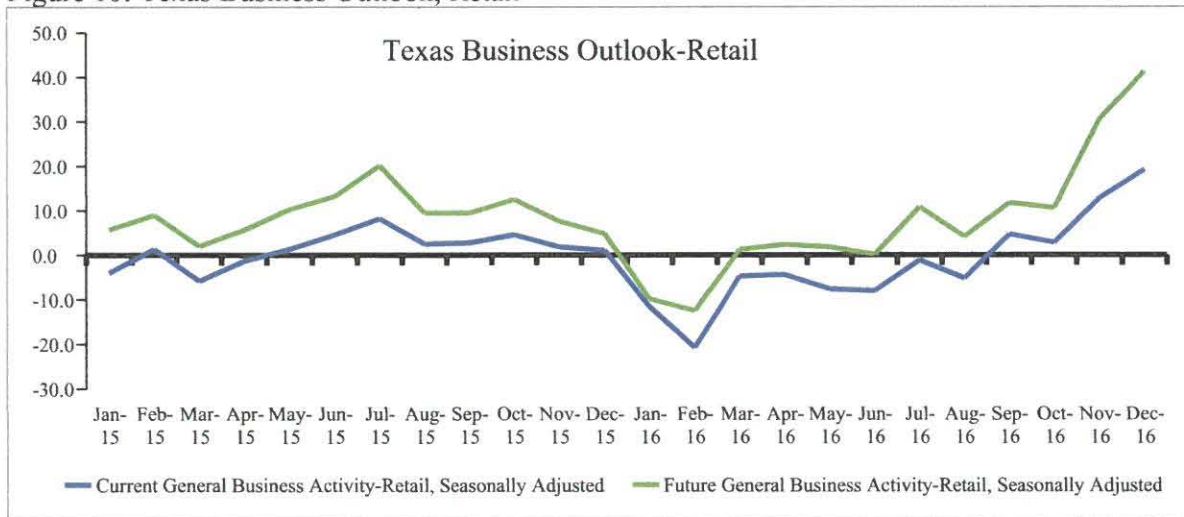
Job growth, building permits, and sales tax collections indicate that Texas' economy continues to outperform the national economy, the Texas region's consumer confidence index was 135.7 in December 2016, up 9 percent from November 2016 (124.5), and up 34 percent from one year ago. This indicates an optimistic business outlook for Texas relative to the previous year.

Figure 9: Texas Business Outlook, Manufacturing



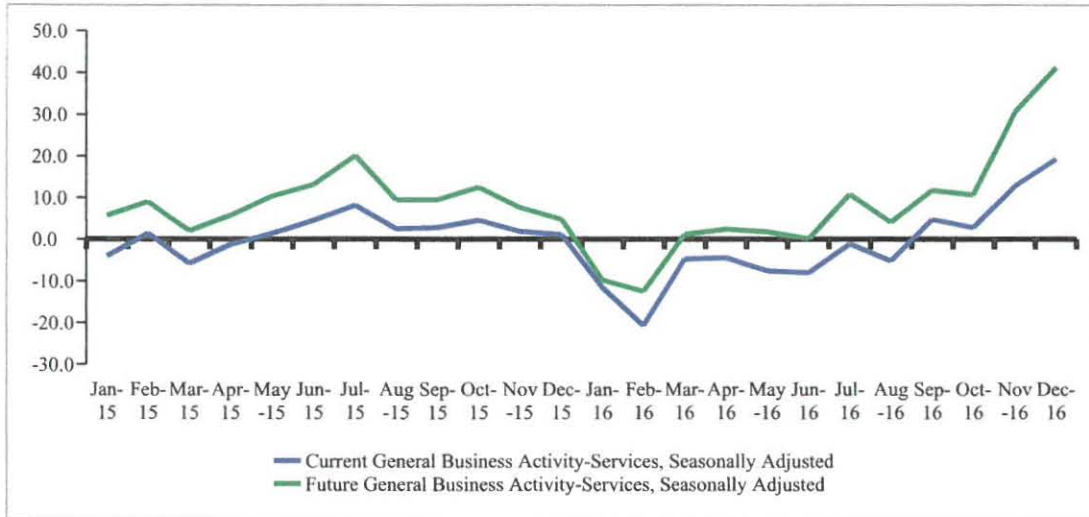
Source: Federal Reserve Bank of Dallas

Figure 10: Texas Business Outlook, Retail



Source: Federal Reserve Bank of Dallas

Figure 11: Texas Business Outlook



Source: Federal Reserve Bank of Dallas

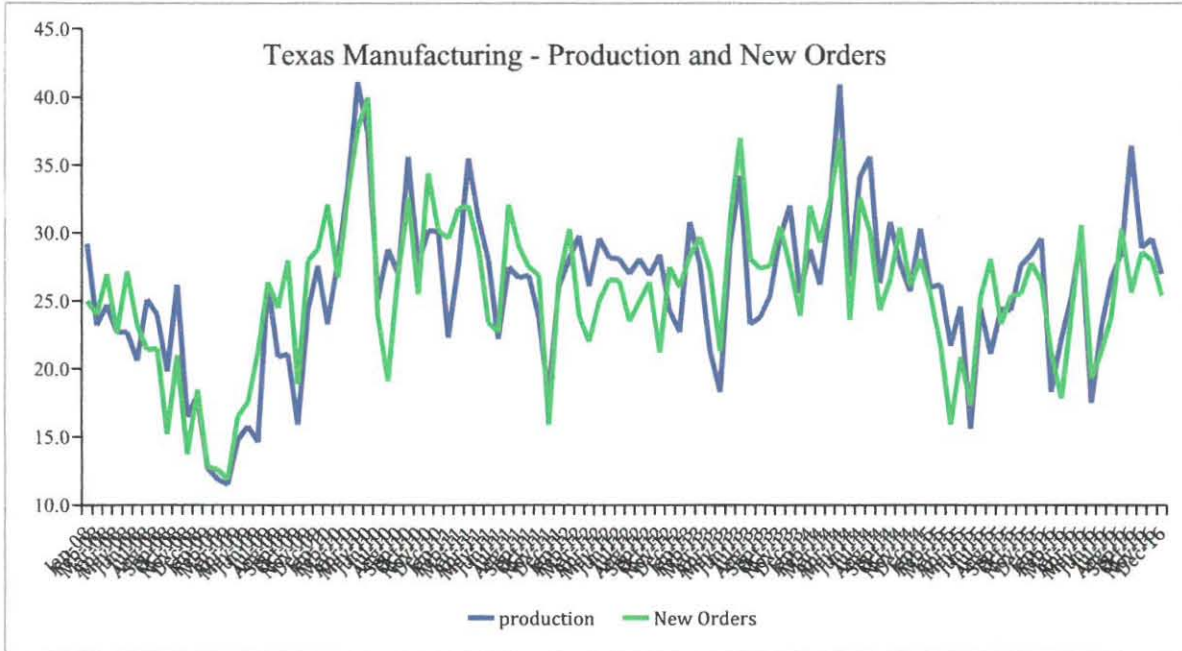
### *Texas Manufacturing Outlook*

The Federal Reserve Bank of Dallas conducts the monthly Texas Manufacturing Outlook Survey (TMOS) to assess factory activity. Factory activity in Texas increased for 6 consecutive months in December 2016. The production index, a key measure of state manufacturing conditions rose from 8.8 to 13.8 suggesting a faster output growth for December.

Most other measures of current manufacturing activity indicated an expanding economy, although demand growth remained slightly negative but inching toward positive territory. The new orders index also rose from -2.3 to 7.3, posting its first positive reading in four months.

Expectations about future business conditions are more optimistic than a year ago.

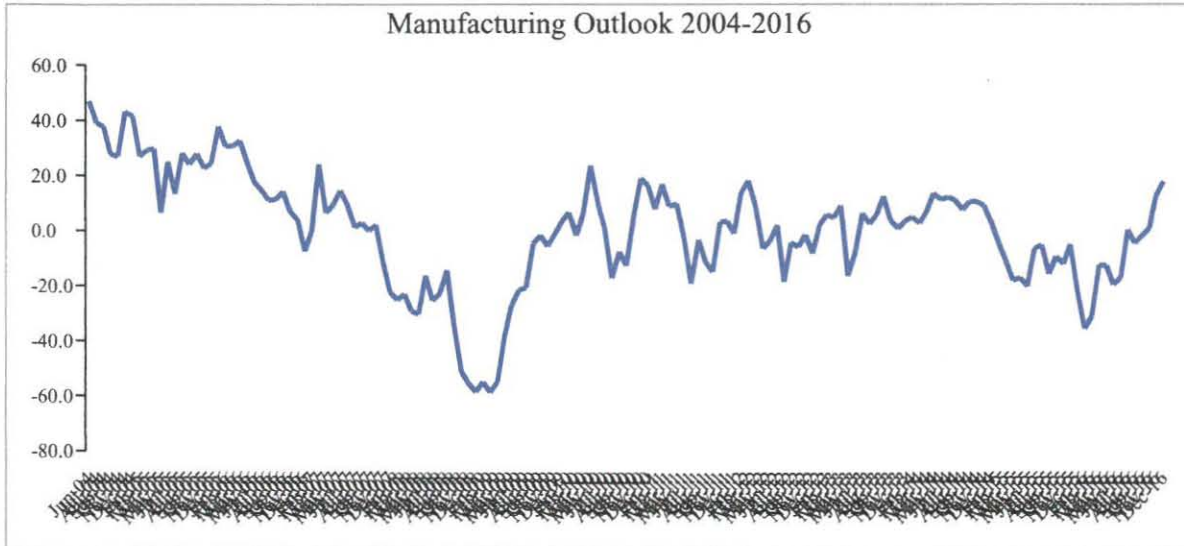
Figure 12: Texas Leading Economic Index



Source: Federal Reserve Bank of Dallas

Expectations regarding future business conditions improved markedly in December. The index of future general business activity rose 8 points to 39.7, while the index of future company outlook posted a double-digit increase and came in at 46.8, its highest reading in 12 years. Most other indexes for future manufacturing activity pushed higher into positive territory.

Figure 13: Texas Manufacturing



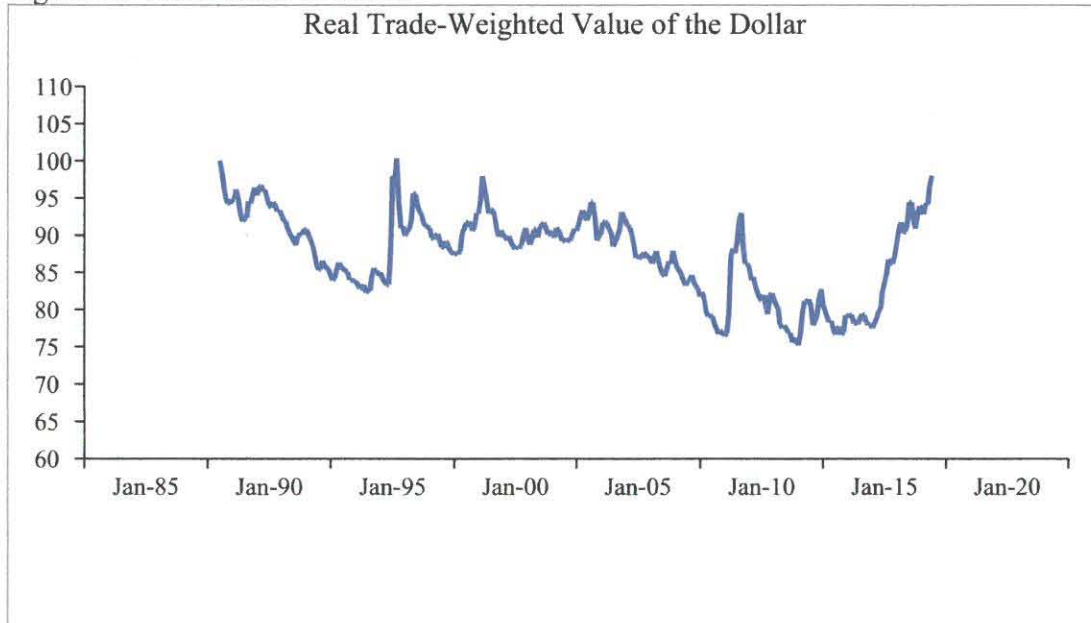
Source: Federal Reserve Bank of Dallas

### *Texas Value of the Dollar*

The Texas Value of the Dollar (TXVD) is an effective exchange rate index that assigns a fixed weight based on the size of each of the 48 countries that trade with Texas. Each country assigned index weight is based on that country's importance as a Texas trading partner. Mexico, is Texas' largest trading partner, with an assigned index's weight of 35.9 percent. Changes in the value of the Mexican peso affect the TXVD more than changes in the currencies of any other single trading partner.

The TXVD is inversely related to the Texas Leading Index. An increase in the value of the index indicates that Texas exports are more expensive, and results in a decrease in the volume of Texas exports. Conversely a decrease in the value of the index indicates that Texas exports are less expensive, and leads to an increase in the volume of Texas exports. The TXVD is the Texas equivalent of the U.S. Trade-weighted Value of the Dollar (TWVD).

Figure 14: Texas Value of Dollar



Source: Federal Reserve Bank of Dallas

Many factors influence the demand for Texas exports, but the value of the dollar is perhaps the most important. More than 50 countries regularly purchase Texas products. However, 10 countries account for almost 70 percent of Texas exports: Mexico, Canada, Japan, the United Kingdom, Taiwan, China, Singapore, Korea, Venezuela and the Netherlands. Usually, more than half of those Texas exports are destined for Mexico. Although Texas exports to Mexico have increased many-fold since NAFTA, export growth to the rest of Texas' trading partners kept pace with that of Mexico. The increase in the value of the dollar relative to the peso over the last two years, greatly increased the price of U.S. exports to Mexico. Texas exports data show that Texas exports remained unchanged in October, while U.S. exports decreased 3.0 percent. Texas exports continue to be hampered by low oil prices, weak global demand and a strong dollar. The Texas trade-weighted value of the dollar dropped slightly in October but was up from year-ago levels and far above its July 2011 record low.

Figure 14 maps historical data of TWVD. TWVD appreciation makes Texas' exports and destinations relatively more expensive to international importers and visitors. This appreciation of the dollar relative to the value of Texas' trading partners' currencies hinders the competitiveness of Texas and in general reduces Texas exports, including tourism, and increases Texas foreign imports.

### *NATIONAL FACTORS*

#### *U.S. Leading Economic Index*

Economic growth for 2017 is expected to average 2.2 percent with the second half of 2017 averaging 2.5 percent to offset a slower growth rate in the first half. The growth momentum of the second half of 2017 should carry over to 2018 where the growth projections are expected to be around 2.4 percent. The current projection for 2018 could change if the external environment becomes less supportive for U.S. exports and key trading partners experience modest slowdowns in growth. In addition, the U.S. economy will face stiff demographic challenges as baby boomers retire. Domestic consumption and investment are expected to be the primary growth drivers for the second part of 2017 and 2018.

Consumption is expected to remain unchanged relative to 2016 with 2.7 percent growth in 2017. Consumption may experience a lower growth rate in 2018. Auto sales are expected to slow down in 2017. Retail sales are also expected to slow down, while consumer confidence goes back down to its natural levels. The Conference Board expects consumption to grow by 2.4 percent in 2018. Wage growth is expected to remain unchanged in 2017, but will increase in 2018 if unemployment rates stay at or below 4.4%.

The dollar is expected to depreciate in 2017 as the economies of key trading partners strengthen. U.S. exports are expected to increase gradually as they become cheaper and more competitive.





Source: The Conference Board

## *MEXICAN FACTORS*

### *Mexico Leading Economic Index*

After slowing down in late 2016, the pace of economic activity in Mexico is expected to pick up somewhat, mainly because of stronger exports. Improved business confidence will support the improvement in investment. Consumer spending, the engine of growth in the past two years, will grow at a slower pace, as rising inflation damps consumers' purchasing power and credit conditions tighten. To slow the rapid rise in public debt, fiscal consolidation is projected to continue. The Mexican economy has benefitted from open borders, foreign direct investment inflows and integration in global value chains. Remaining barriers to foreign investment and services trade should be lifted to move up in global value chains, increase the diversification of exports and strengthen geographical linkages. However, certain locations and categories of workers have benefitted less from open borders than others. Improving education outcomes and reducing work in the informal sector would help to spread the benefits of globalization more widely.

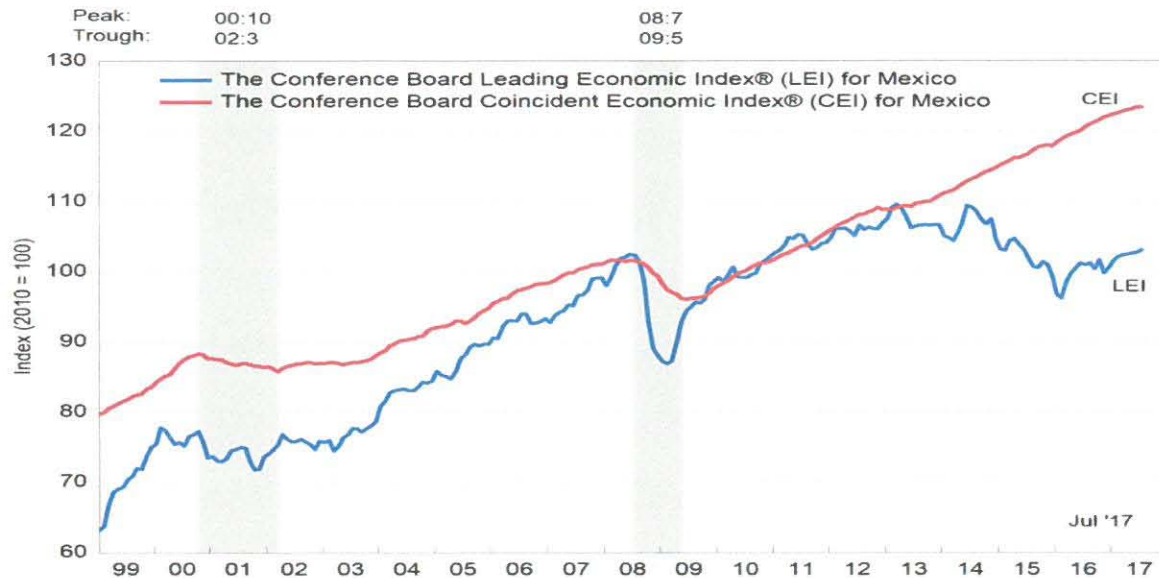
The unexpected result in the U.S. election introduces a greater degree of uncertainty for Mexico about the future of bilateral relations. The main risks for Mexico come from lower exports and remittances. Exports to the U.S. in 2016 brought \$309 billion into the country, 81 percent of Mexico's foreign sales and 27 percent of GDP. The manufacturing sector, which accounts for 16 percent of GDP and a similar share of total employment, is most likely to be hurt by possible trade barriers. Investment would probably fall if trade is restricted, as manufacturing accounted for 37 percent of total gross capital formation and half of FDI in 2015. Remittances totaled \$25 billion last year, mostly from workers in the U.S., and made up between 2-3 percent of GDP over

the last decade. These are an important part of some household incomes and a decline could weigh on private consumption. The drag from lower remittances in dollar terms could be offset by peso depreciation, as long as inflation does not increase. Lower exports and remittances would put extra pressure on Mexico's current account, which ran a deficit of \$33 billion or 2.9 percent of GDP last year. Lower FDI would also worsen the external deficit as foreign investors await clarity on Trump policy before approving new projects. The floating exchange rate will continue to be the main adjustment mechanism. Even so, growth is likely to remain low and economic policy focused on limiting spillover risks. In the short and medium-term, alternatives to support growth could come from the implementation of structural reforms, particularly in the oil sector. These could help increase or at least stabilize falling oil production. Mexican policy makers will have to keep fiscal and monetary policy tight to shore up investor confidence and to keep inflation under control, even as economic growth remains below potential. While cuts to spending and higher policy rates are likely to further weigh on the economy, they are necessary to keep inflation expectations anchored amid a sharp depreciation of the peso, to minimize the risk of capital outflows and preserve medium and long-term stability. Increasing global financial market volatility, higher yields, a steeper curve and expectations for interest rate hikes in the post-election U.S. have also had a negative impact on Mexico. Although true for other countries, Mexico is particularly vulnerable because of its more open financial account. Non-residents have high participation in local debt markets and corporations have a considerable amount of external obligations.<sup>3</sup>

Figure 16: Mexico Leading Economic Index

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<sup>3</sup> <https://www.bbhub.io/regional/sites/14/2016/12/Bloomberg-Brief-Mexico-Outlook-2017.pdf>



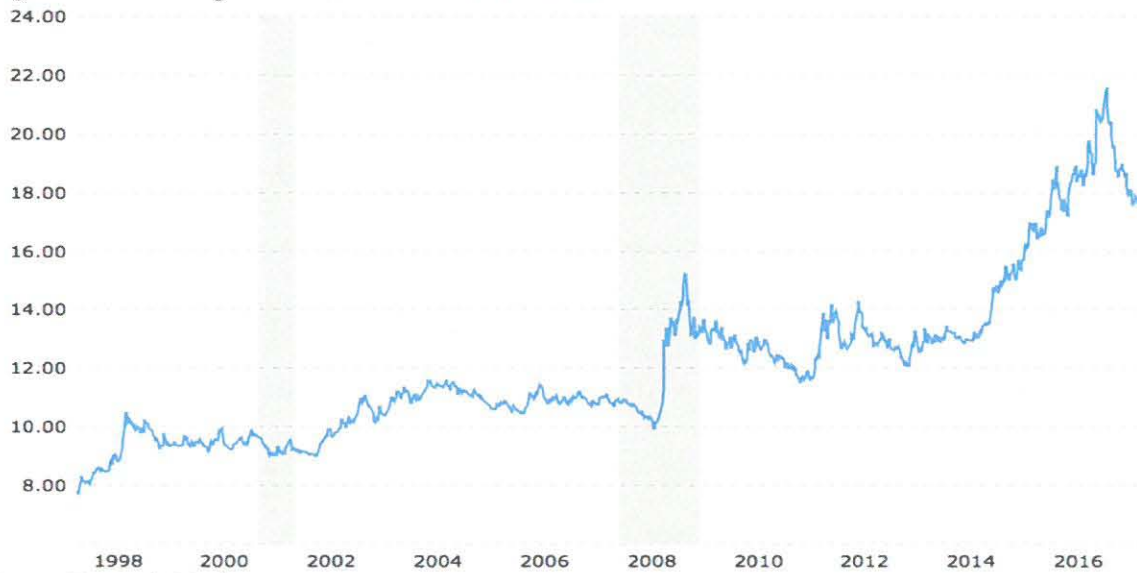
Source: The Conference Board

Mexico’s LEI is composed of six components. Four of these six components – net insufficient inventories, the U.S. refiners’ acquisition cost of domestic and imported crude oil, stock prices, and the (inverted) real exchange rate, increased in May. As for the remaining two, Industrial Production Construction decreased in May, and the inverted federal funds rate remained unchanged.

*Exchange Rates Mexican Peso to Dollar*

The weakness in the Mexican peso looks like it will continue in 2017 as traders come to grips with potential changes in U.S. trade policy. The continuous call for renegotiating the North American Free Trade Agreement by President Trump and the Ford Motor company announcement to cancel production of a \$1.6 billion plant in Mexico, and instead invest in Michigan has added to the woes of the Mexican peso. The value of the peso is expected to continue to drop. The peso to dollar exchange rate is expected to be between 22 and 23 pesos by the end of 2017.

Figure 17: Exchange Rates Mexican Peso to Dollar



Source: Banco de Mexico

The pre-U.S. election positive economic outlook for the Mexican economy has dampened as foreign direct investments into Mexico are expected to decrease. Mexico's business climate has improved significantly as a result of important structural reforms that the country has implemented, but the uncertainty about the future of NAFTA and future U.S. trade policies have affected the peso negatively. However, Mexico's Manufacturing Industrial Production (Manufacturing IP) is expected to continue to increase, while Total Industrial Production (Total IP), which includes manufacturing, construction, oil and gas extraction, and utilities is expected to remain unchanged. The positive outlook of Mexican manufacturing will have beneficial spillovers on the economies of South Padre Island and Texas.

Figure 18: U.S. and Mexico Manufacturing IP

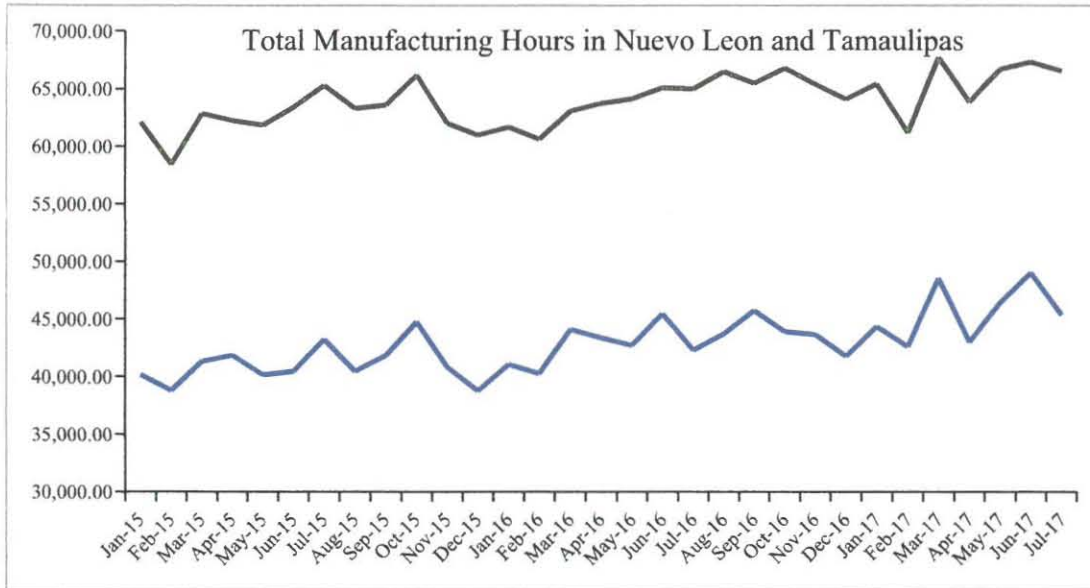


Sources: INEGI (Instituto Nacional de Estadística Geografía e Informática) and Federal Reserve Board  
*Nuevo-Leon, Tamaulipas Manufacturing Employment*

Mexico has been successful in recent years in attracting foreign manufacturing and expanding its industrial capacities and capabilities especially in the interior of the country. Mexico is expected to become the seventh largest economy in the world. Changes in maquiladora employment and hours worked are important indicators of economic health in Nuevo Leon and Tamaulipas, Mexico. Increasing employment levels and number of working hours in the maquiladora has positive externalities on the economies of Texas border cities.

In the states of Nuevo Leon, and Tamaulipas, Mexico the formal-sector employment in manufacturing, jobs with government benefits and pensions, rose at an annualized rate of 2.68 percent in Nuevo Leon and 6.05 percent in Tamaulipas between January 2015 and March 2017. Year to date, employment is up at an annualized rate of 4.02 percent in Nuevo Leon and 9.26 percent in Tamaulipas.

Figure 19: Nuevo Leon-Tamaulipas Monthly Manufacturing Hours (2015-2017)



Sources: INEGI (Instituto Nacional de Estadística Geografía e Informática)

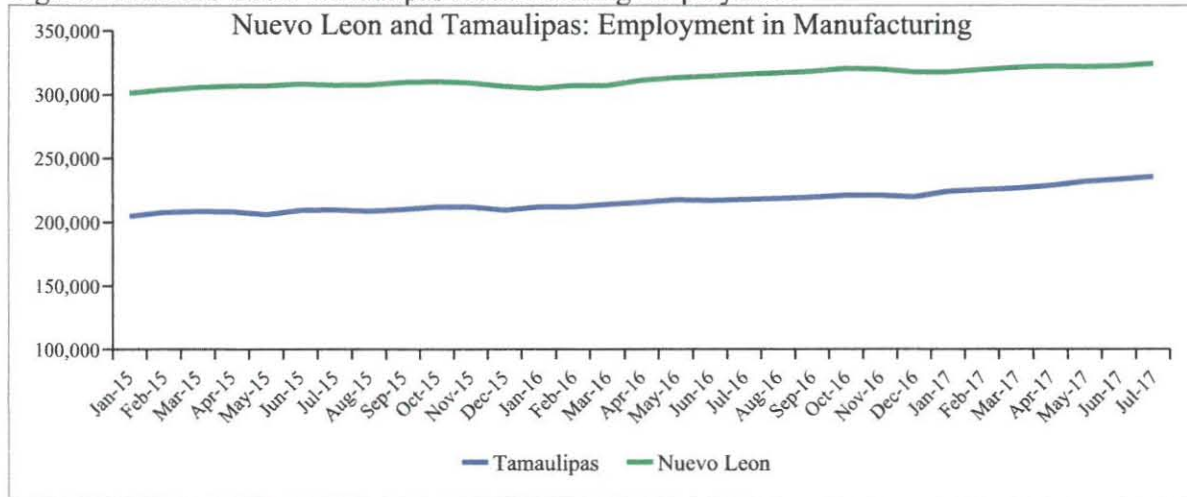
Figure 20: Nuevo Leon-Tamaulipas Annual Manufacturing Hours (2013-2016)



Sources: INEGI (Instituto Nacional de Estadística Geografía e Informática)

Figures 19, 20, and 21 show that the level of manufacturing hours and manufacturing employment increased between 2015 and 2017.

Figure 21: Nuevo Leon-Tamaulipas Manufacturing Employment



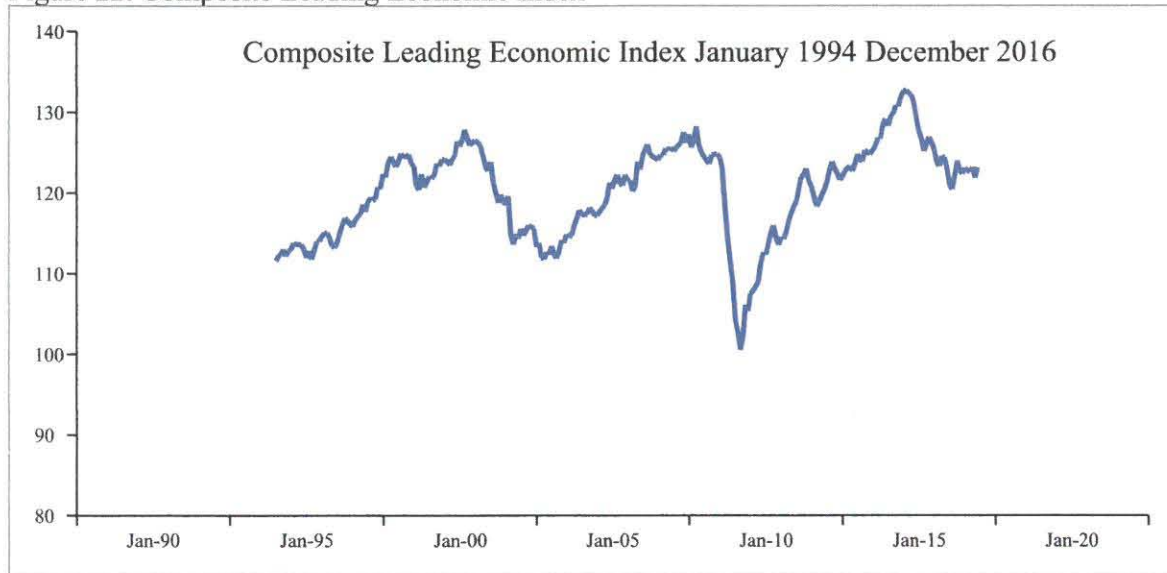
Source: INEGI (Instituto Nacional de Estadística Geografía e Informática)

*COMPOSITE LEADING ECONOMIC INDEX*

AEC computes the composite leading economic index using the weighted combination of the three leading economic indexes – U.S., Mexico, and Texas. Although the three LEIs forecast changes of three different economies, the economy of Texas has the biggest impact on the City of South Padre Island. The island’s economic activity contracts and expands at rates closer to those of Texas.

Texas’ Leading Economic Index influences the shape of the composite leading economic index. Figure 22 shows a downturn in the composite LEI starting in the third quarter 2014 but leveling off in late 2015, signaling an improvement in the economic outlook for Texas and the U.S. Exports are recovering, and the recent decrease in the value of the U.S. dollar and relative global economic expansion with the U.S. and Texas still adding jobs, indicates that there will be positive and perhaps moderate growth for the coming two years. However, President Trump’s trade policies have created uncertainties about the impact of Mexico’s positive economic outlook on the region’s economy.

Figure 22: Composite Leading Economic Index



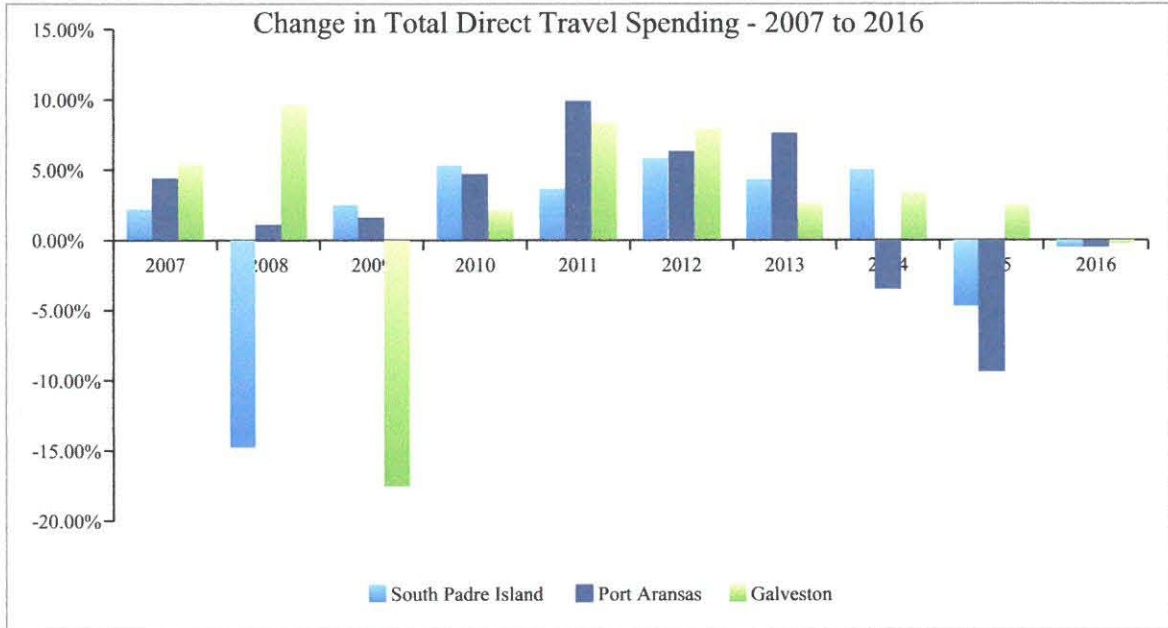
Source: Federal Reserve Bank of Dallas

## 5. South Padre Island - Internal Factors

South Padre Island's Internal Factors section presents the performance statistic for 2016. AEC graphs current and historical data to show current economic performance, and to identify trends. AEC also uses the time series data to forecast economic changes for the next two years. Figure 16 shows that in 2016, all three destinations experienced a decrease in visitor spending: 0.6 percent in South Padre Island, 0.5 percent in Port Aransas, 0.3 percent in Galveston. Figure 17 also shows total tax receipts declined in South Padre Islands by 1.2 percent, and in Port Aransas by 1.6 percent, while they increased in Galveston by 0.6 percent.

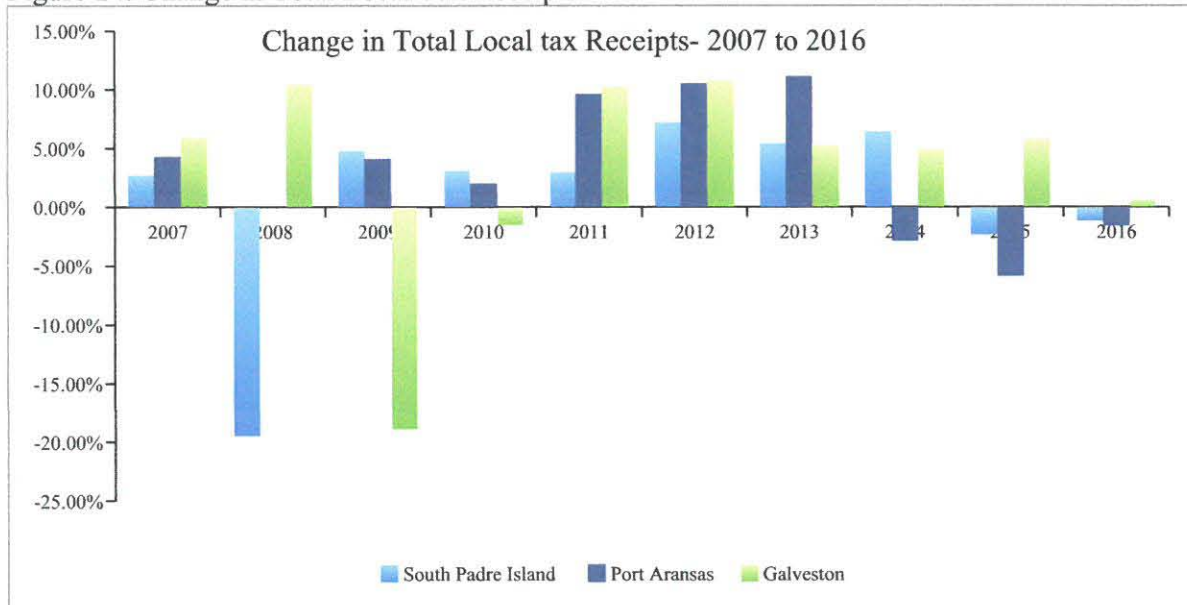
Figure 23: Change in Total Direct Travel Spending





Source: Texas Destinations 2006-2016, Office of Governor, Economic Development Tourism Division

Figure 24: Change in Total Local Tax Receipts

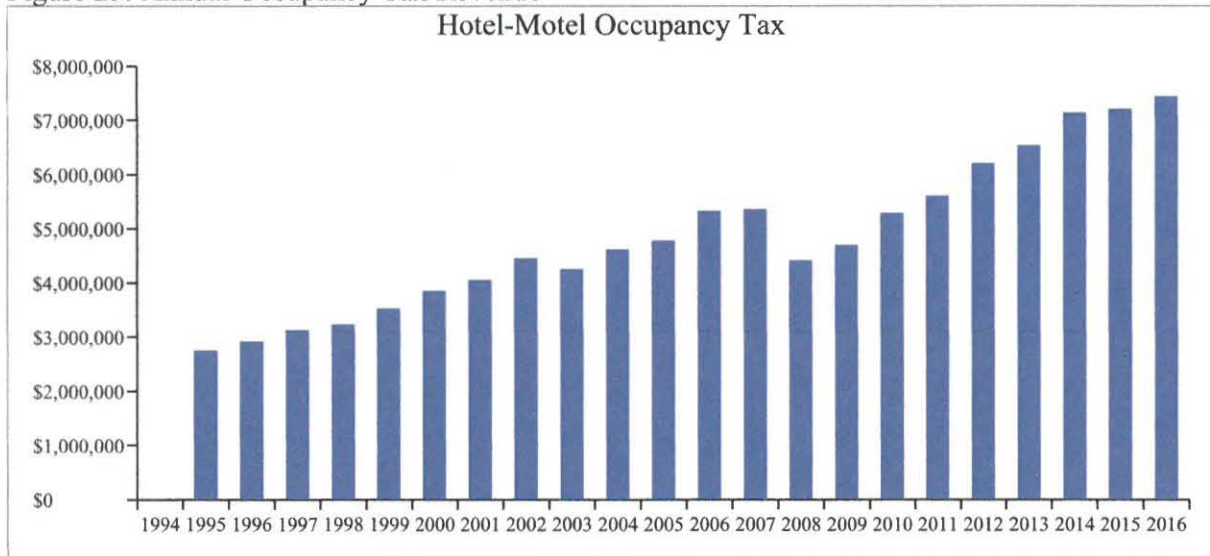


Source: Texas Destinations 2006-2016, Office of Governor, Economic Development Tourism Division

*HOTEL/MOTEL OCCUPANCY TAX*

In computing the occupancy tax index, AEC adjusts the data to remove the effect of inflation and to measure changes in real economic activity. Between 1995 and 2007, the occupancy tax index shows that hotel and motel occupancy annualized real growth rate was 2.1 percent. The occupancy tax revenue decreased in 2008 following hurricane Dolly and the great recession, and did not recover to the pre-recession levels until 2011. Occupancy tax revenues increased steadily after the initial drop in 2008 at an average annual rate of 8.59 percent between 2008 and 2016. The occupancy tax index shows a decrease of 17.65 percent in 2008 relative to 2007 and an average annual increase of 8.4 percent from 2008 to 2014. The occupancy tax revenue for 2016 increased by 3.20 percent relative to 2015.

Figure 25: Annual Occupancy Tax Revenue

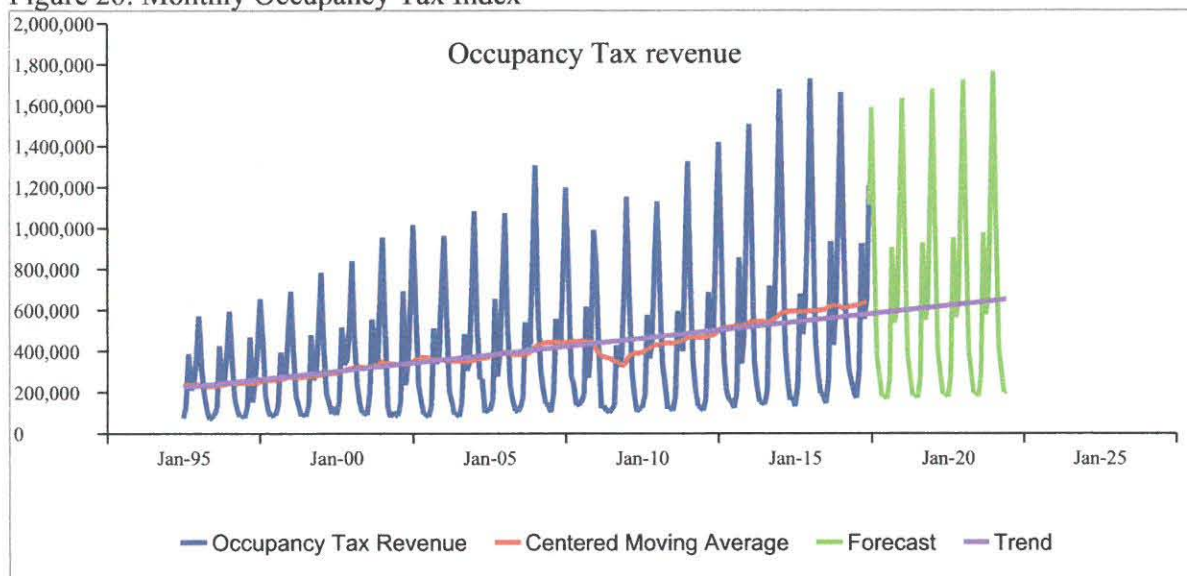


Source: South Padre Island Economic Development Corporation

**Forecast:** The leading economic indexes and other leading indicators suggest a faster growth rate for 2017 and a more moderate one for 2018. South Padre Island has experienced moderate growth in total earnings, employment, and a small decline in tax receipts in 2016. The decline in the Texas LEI between 2014 and 2015 correctly indicated slow or declining economic activity

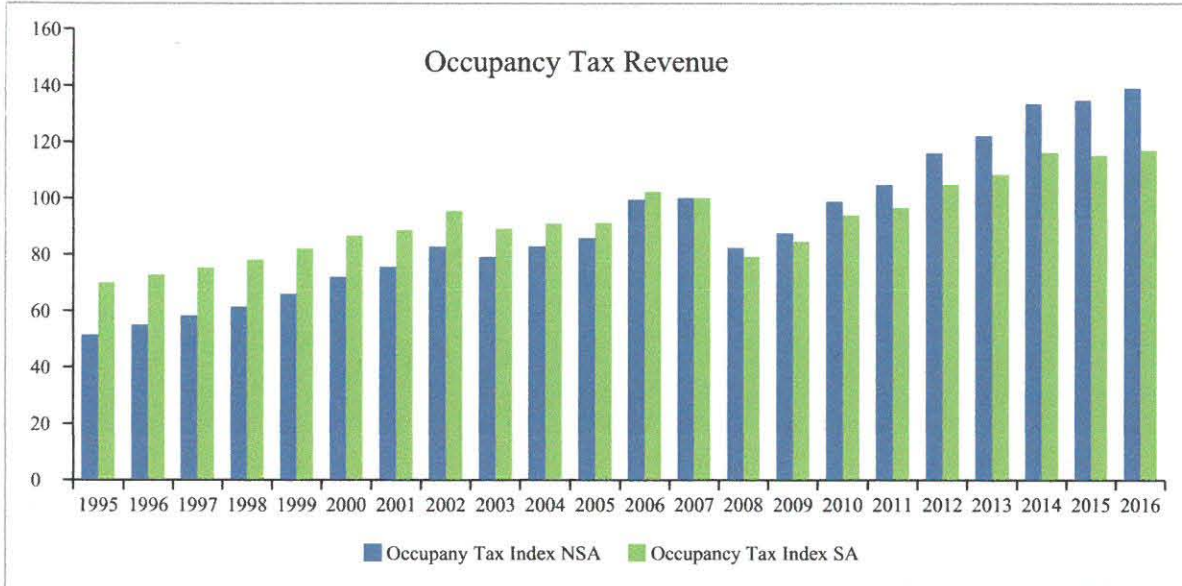
for 2016. The LEI recovery between 2015 and 2016 is indicating an improvement in economic activity in spite of the Texas weighed value of the dollar being high. AEC expects occupancy tax to increase by about 6 percent in 2017 and around 4 percent in 2018. The proposed development of Liquefied Natural Gas (LNG) at the Port of Brownsville could be a boost to the hospitality industry at the island in 2018.

Figure 26: Monthly Occupancy Tax Index



Source: South Padre Island Economic Development Corporation

Figure 27: Annual Occupancy Tax Index

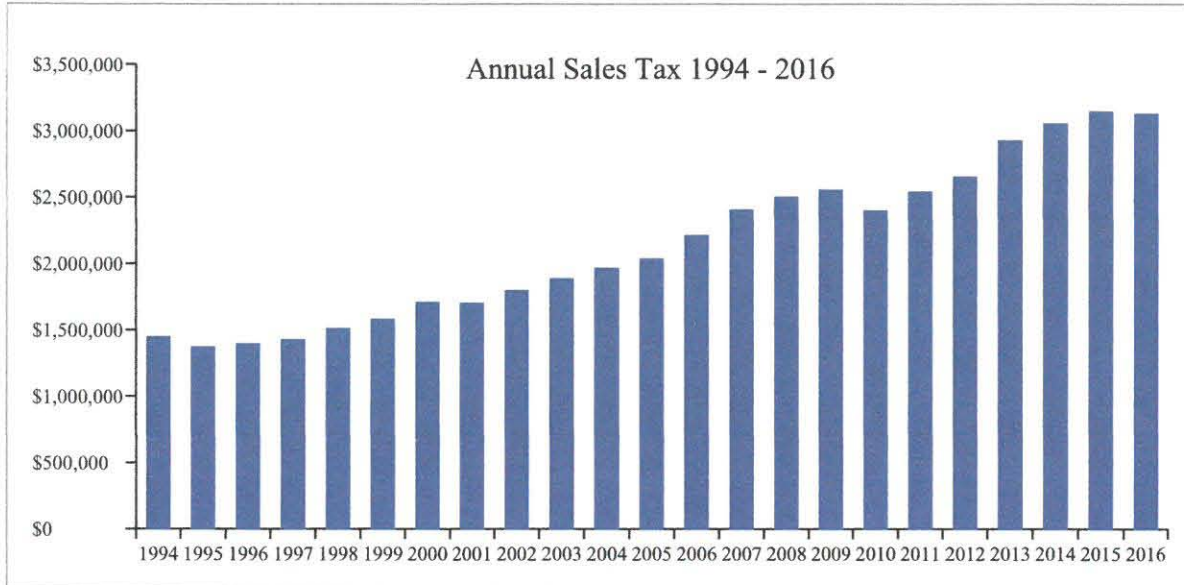


Source: South Padre Island Economic Development Corporation

### *SALES TAX*

Inflation adjusted and unadjusted decrease in sales tax revenue in 2016 was 0.76 percent and 0.55 percent respectively. While South Padre Island and Port Aransas (1.60 percent) experienced decreases in sales tax receipts in 2016, Galveston and Texas sales tax revenue increased by 0.6 percent and 4.30 percent respectively. Sales tax growth rate in South Padre Island between 2010 and 2016 was 30.53 percent. The annualized rate of growth for sales tax over the last 6 years was 5.09 percent.

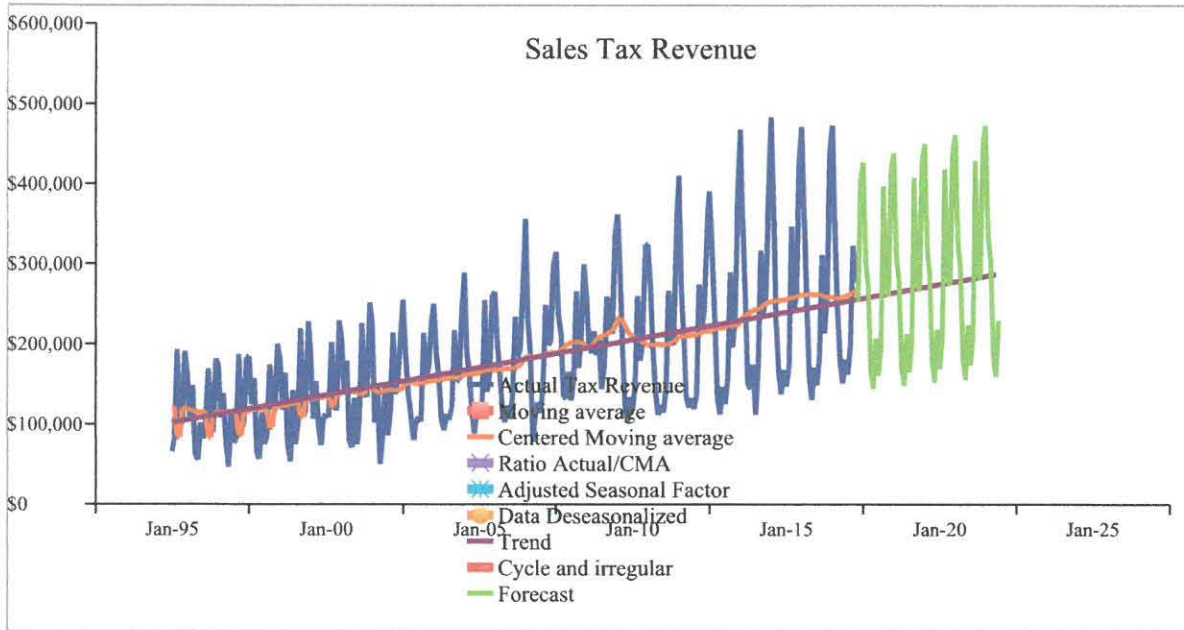
Figure 28: Annual Sales Tax Revenue



South Padre Island Economic Development Corporation

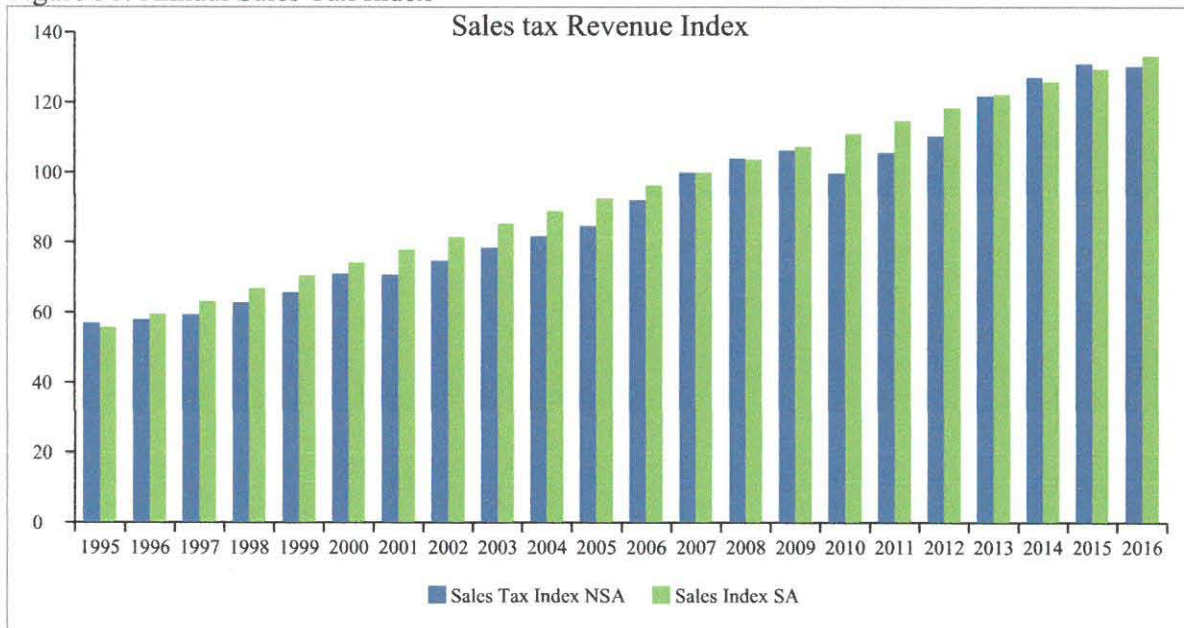
**Forecast:** Data show factors that affect the economy of South Padre Island are trending upward with a relatively steep slope suggesting a faster growth rate in sales tax revenue over the next two years. AEC forecasts sales tax revenue to increase by about 6.5 and 7.5 percent in 2017 and about 5 percent in 2018.

Figure 29: Monthly Sales Tax Index



Source: South Padre Island Economic Development Corporation

Figure 30: Annual Sales Tax Index

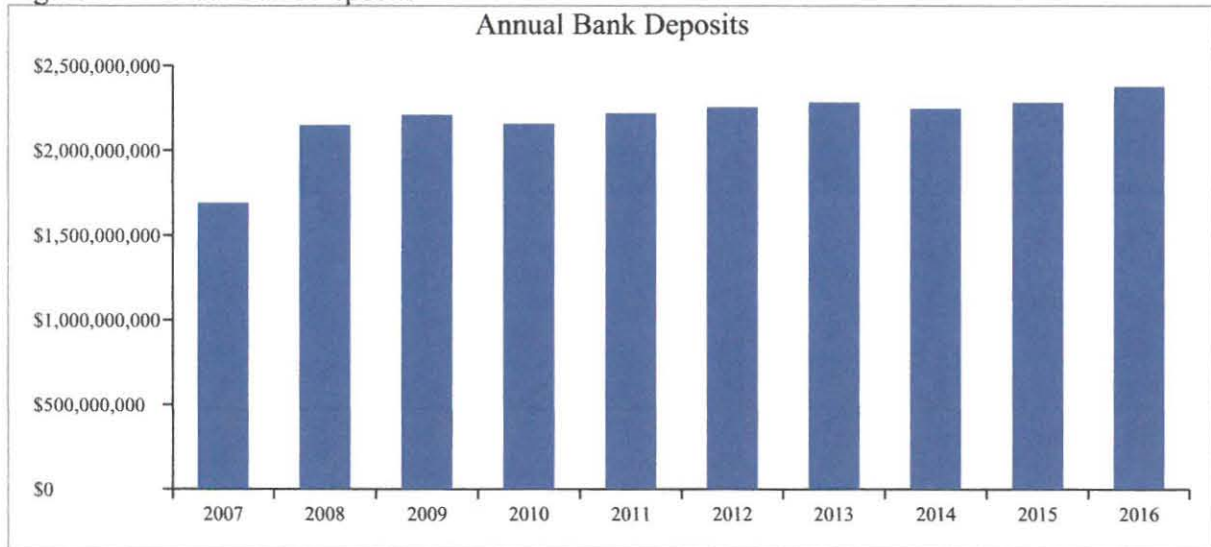


Source: South Padre Island Economic Development Corporation

*BANK DEPOSIT INDEX*

The pre-recession period was a period of fast bank deposits growth. In fact, during that period bank deposits doubled every 7 years. Bank deposits declined in 2010 due to the financial recession and have not fully recovered their pre-recession growth rate. From 2008 to 2014, bank deposits increased by 4.5 percent or an average annual growth rate of 0.73 percent. During the 2008 to 2014 period the growth rate in bank deposits alternated between positive and negative growth from one year to the next. The growth rate of bank deposits for 2016 relative to the previous year is 4.15 percent, up from 1.63 percent in 2015.

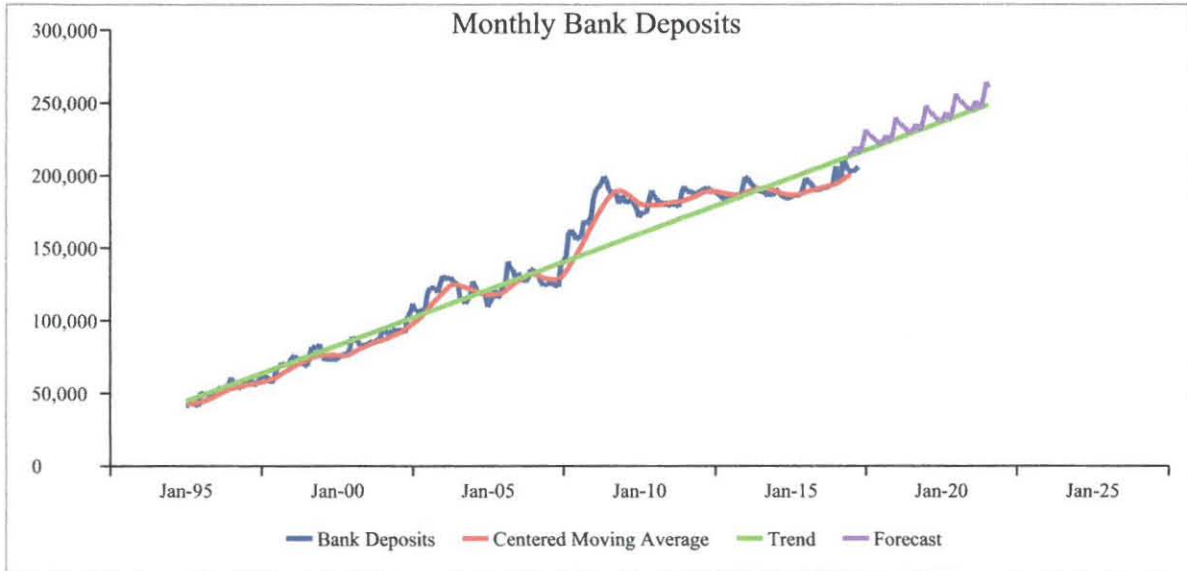
Figure 31: Annual Bank Deposits



Source: Texas Destinations 2007-2008, Office of Governor, Economic Development Tourism Division

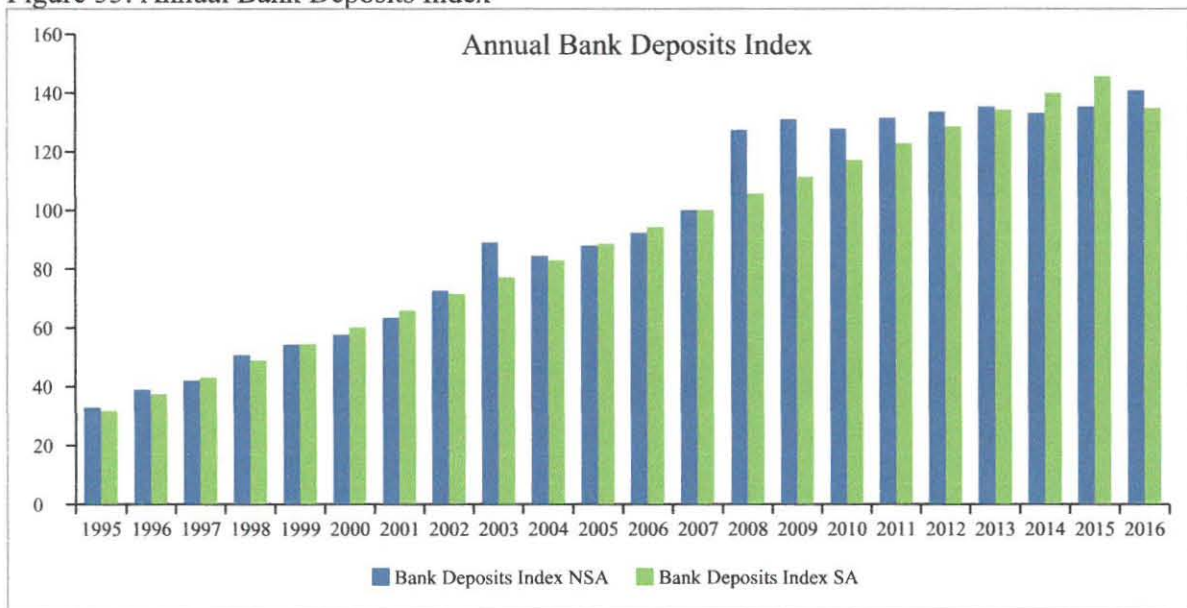
**Forecast:** Dollar appreciation means that Mexican pesos buy fewer American dollars. AEC expects bank deposits to increase as the value of the peso relative to the dollar is becoming “normalized” and as Mexican nationals start to see this new conversion rate as the new “normal” rate. AEC expects bank deposits to increase by 4.5 to 5 percent in 2017 and 2018.

Figure 32: Monthly Bank Deposits Index



Source: South Padre Island Economic Development Corporation

Figure 33: Annual Bank Deposits Index



Source: South Padre Island Economic Development Corporation

REAL ESTATE IN TEXAS



Recently released 2016 gross metropolitan product data show positive economic growth along the U.S.-Mexico border, driven mostly by the service providing industry. Brownsville experienced a 2.7 percent growth amid increased activity in professional and business services while McAllen's growth dithered from 2.3 percent in 2015 to 0.8 percent in 2016. Border housing sales mirrored statewide sales, declining 3.1 percent with much of the drop affecting homes priced less than \$100,000. McAllen's sales boom slowed as sales declined 6.5 percent but the trend remained positive. After three monthly increases, Brownsville sales dipped 2.9 percent, pulling year to date growth below zero. South Padre Island housing sales pattern was different from those of Texas and other communities along the border. South Padre Island housing sales increased from 289 in 2015 to 323 in 2016.

Total single-family residential housing construction permits along the border declined by 1.8 percent but maintained positive year to date growth. Permits fell 3.6 in Brownsville, in response to recent increases in inventory. In McAllen, permits trended downward as the new home market remained saturated.

Border construction values for private single-family homes increased by 0.6 percent, driven mostly by a 6.1 percent increase in McAllen. In Brownsville, construction values declined 7.6 percent, reflecting a slowdown in residential building activity there.

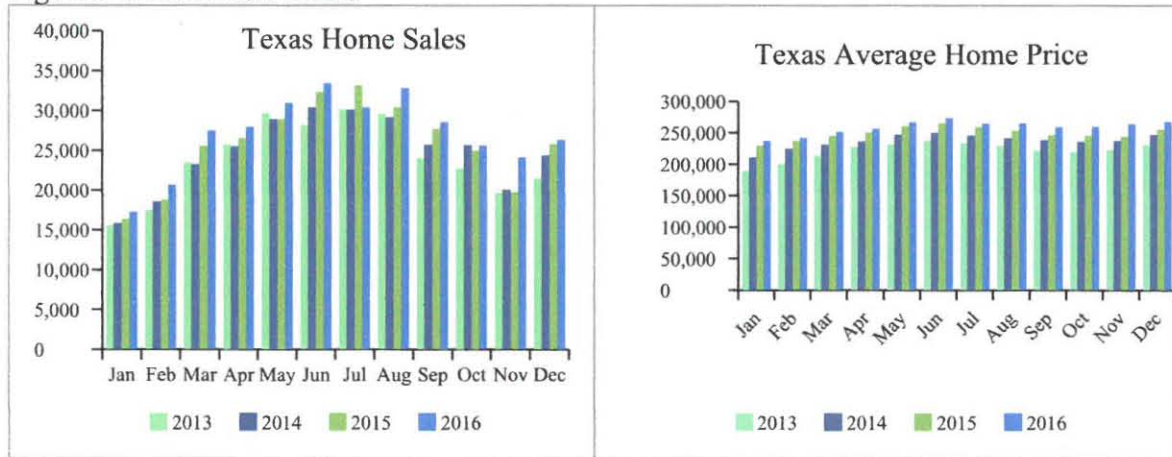
The months of inventory varied along the border but remained constricted in the lower price cohorts. The supply of listings for homes under \$100,000 fell to 4.5 and 4.0 months in Brownsville. In McAllen, homes under \$100,000, as well as those priced between \$100,000-\$200,000, settled at 6.5 months, well above the other border metros.

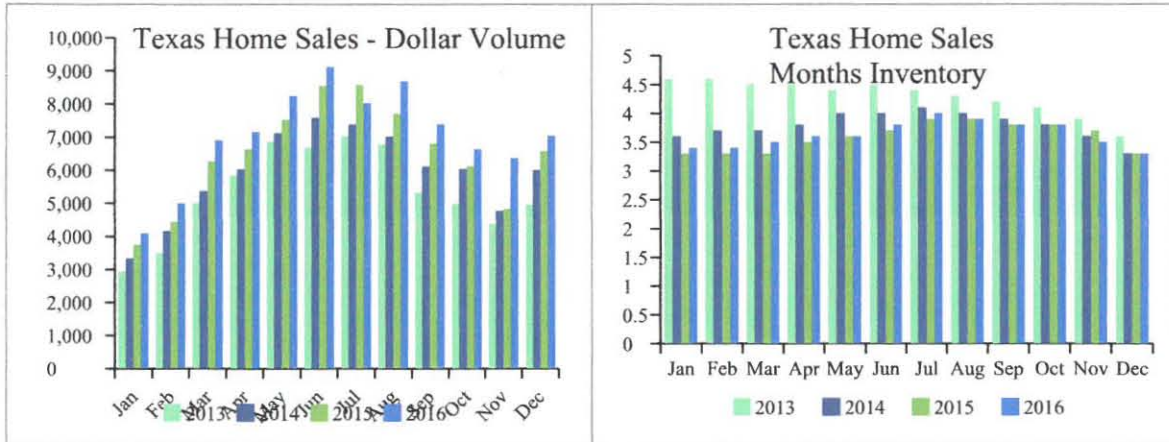
The excess supply of new homes increased as the new home months of inventory elevated across the border. The months of inventory in McAllen rose significantly to 13.0 months, while the supply of new listings in Brownsville increased to 8.3 months, posting positive growth for the fourth consecutive month. In general, housing demand increased on the border as the average

number of days on market fell for homes priced between \$100,000-\$200,000 in every metro area except Brownsville. Demand in Brownsville wavered as the days on market persisted above 109 days for every price cohort. Despite market fluctuations, the median price for homes in Brownsville and McAllen was relatively stable hovering around \$123,783 and \$135,764 respectively, while median home prices fluctuated between \$180,000 and \$280,000 in South Padre Island.

According to the Real Estate Center at Texas A&M University, monthly home sales in South Padre Island increased significantly in 2016. Dollar volume of sales and median prices also increased from \$79.21 million to 86.02 million, and \$227,146 and \$229,038 respectively between 2015 and 2016, while total listings and months inventory decreased.

Figure 34: Texas Real Estate



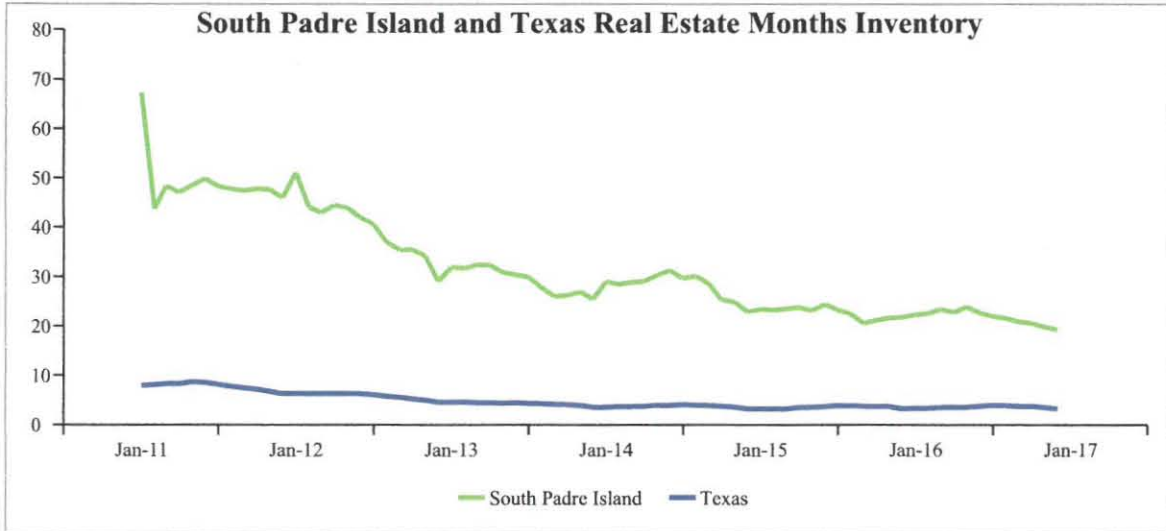


Source: Texas A&M University Real Estate Center

*REAL ESTATE IN SOUTH PADRE ISLAND*

Texas A&M Real Estate Center data show that South Padre Island’s real estate market continues to improve. All indicators point to a good year for the real estate market in South Padre Island as home sales, average prices, and dollar volume sales have increased every year since 2011 while number of listings and months inventory have decreased. From January 2015 to December 2016 average home sales per month increased from 24 to 27, average monthly dollar volume from sales increased from \$6.60 million to \$7.17 million, average months inventory decreased by 3.96 percent to 21.83 months, its lowest point since 2009, between January 2015 and December 2016.

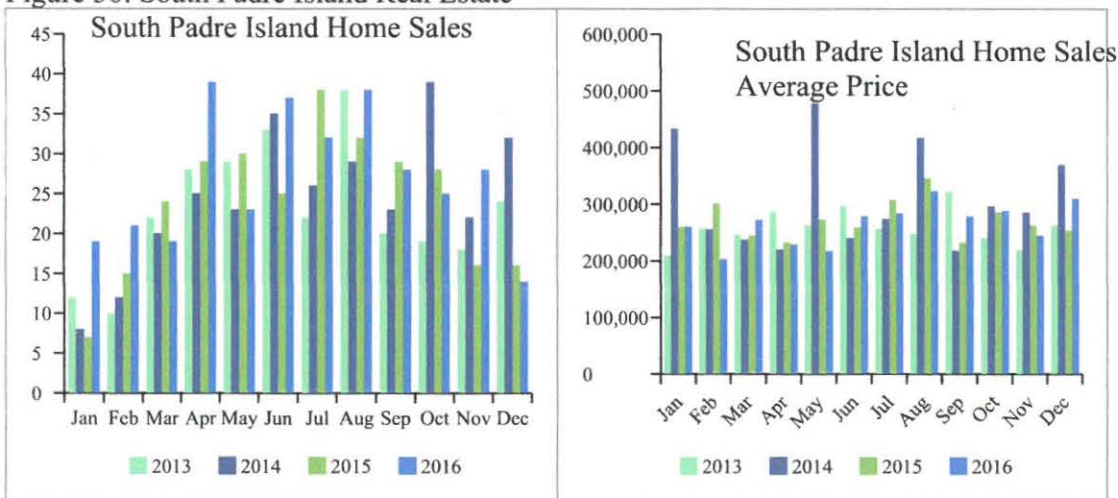
Figure 35: South Padre Island Real Estate

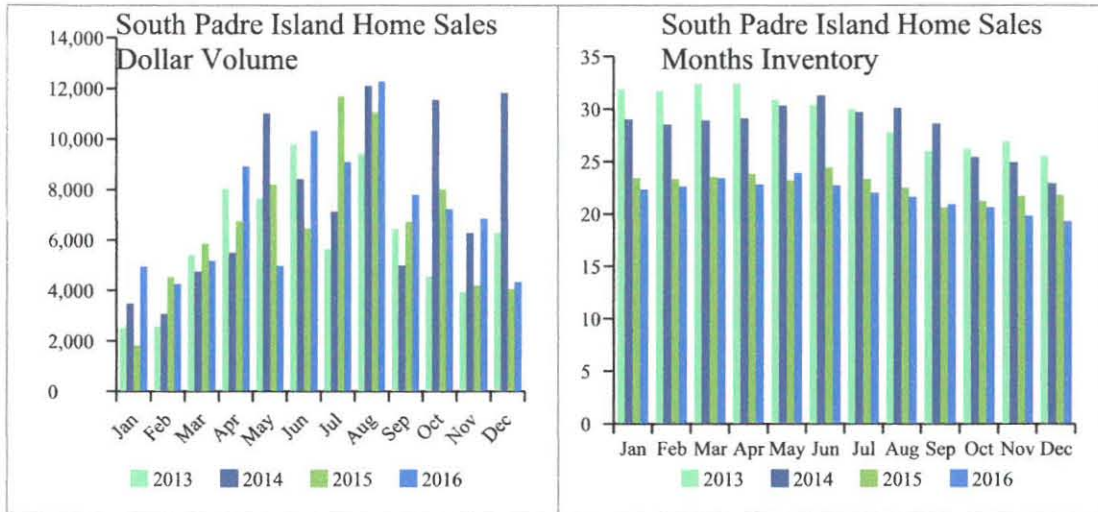


Source: Texas A&M University Real Estate Center

Figure 35 shows that between January 2011 and December 2016, both South Padre Island and Texas months inventory declined dramatically (71.32 percent and 58.75 percent respectively). Although, months inventory in South Padre Island was 19.3 months in December 2016 compared to 3.3 months in Texas, South Padre Island months inventory declined at a faster rate than Texas months inventory.

Figure 36: South Padre Island Real Estate





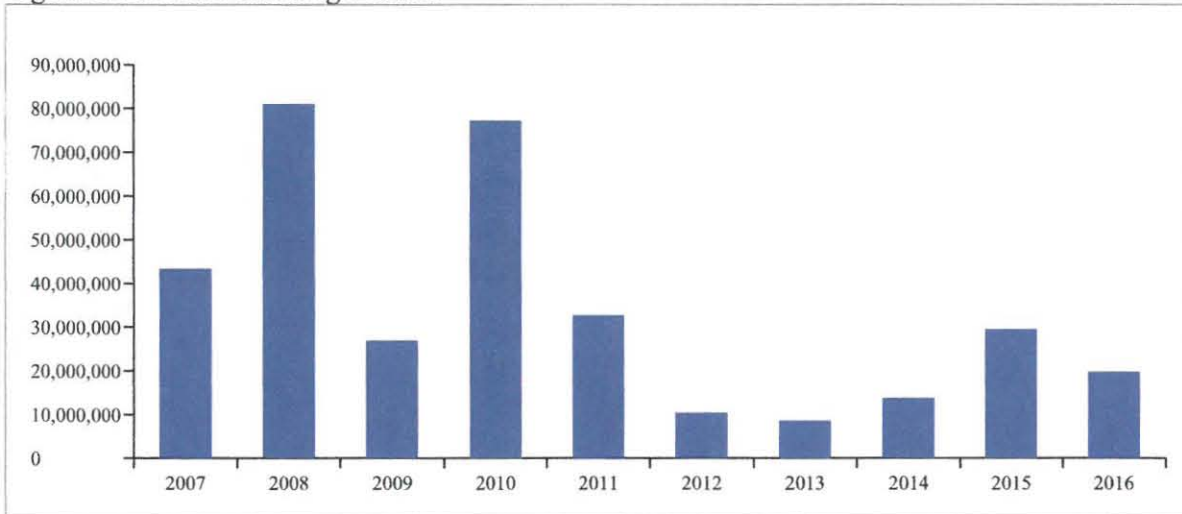
Source: Texas A&M University Real Estate Center

### *BUILDING PERMITS INDEX*

Figure 37 shows that the number of building permits continues to be relatively modest compared to the peak years after 2010 partly due to the relatively large increase in inventory in 2006, 2008, and 2010. Building permits valuations increased by 114.21 percent in 2015 relative to 2014 and declined by 33.15 percent in 2016 relative to 2015. Figure 38 shows that from 1995 to 2001 building permits followed a stable and constant pattern with minimal variability. This pattern suggests that real estate projects were small, single structures or limited multi-family structures. After 2001, the variability of building permits increased. Figures 37 and 38 show pronounced peaks in 2006, 2008, and 2010. The dramatic change suggests a possible structural shift in real estate sector, and a shift to very large construction and real estate projects and high-rise projects. These periods of high peaks have been fairly clustered together, second half of 2006, first half of 2008, and second half of 2010. After 2010, there was a decline in the number of building permits. Real estate data for 2016 show that the number of listings and months inventory declined and average prices increased. However, the first months of 2017 show an

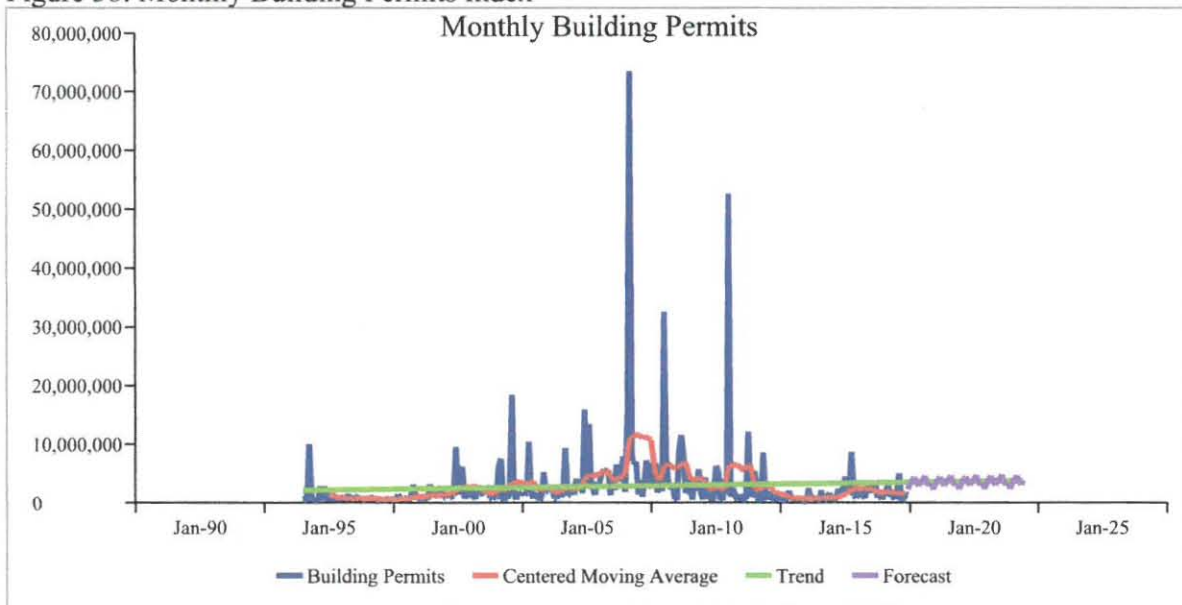
increase in listing and in months inventory suggesting a decline in building permits in 2017 and 2018.

Figure 37: Annual Building Permits



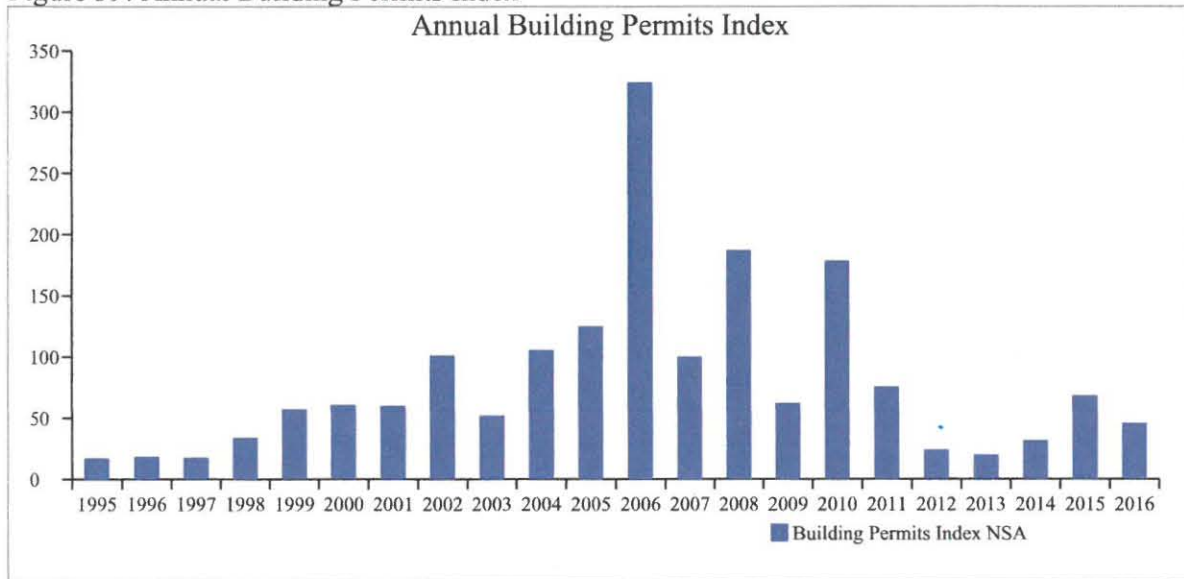
Source: Source: South Padre Island Economic Development Corporation

Figure 38: Monthly Building Permits Index



Source: South Padre Island Economic Development Corporation

Figure 39: Annual Building Permits Index



Source: South Padre Island Economic Development Corporation

Peaks in the data indicate large projects, which lead to a short-term spike in the number of real estate units available on the island. The peaks are followed by periods of decreasing building permits, which tend to persist because of oversupply evident from the increase in listings and months inventory.

**Forecast:** Building permits index shows a decline after 2010. The data show that the number of listing declined in 2016 but started to increase again in the first few months of 2017. AEC expects building permits to remain relatively unchanged in 2017 and decrease in 2018 if listings and months inventory continue to increase.

## 6. Conclusions

Sales tax during the first few months of 2016 and especially after spring break were down relative to the two previous years causing island's officials to be concerned. However, economic activity picked up, especially during the last 4 months of 2016, which helped offset the decline of sales tax revenue during the first half of the year. Annual sales tax for 2016 were only one half of one percent lower than 2015 sales tax revenue. While sales tax revenue was flat, occupancy tax revenue rose by 3.20 percent and annual bank deposits increased by 4.15 percent in 2016. South Padre Island's sales tax revenue is expected to recover in 2017 and 2018 and to grow at a 6.5 percent to 7.5 percent rate, a relatively faster rate than the three previous years. Occupancy tax revenue is also expected to grow at a faster rate for the next two years, 6 percent in 2017 and 4 percent in 2018.

Texas and South Padre Island real estate data show that home sales, prices, months inventory have reached their natural rates as the improvement in the real estate market seems to have leveled off. Data from the first few months of 2017 show that the number of listing and months inventory increased, suggesting a slower performance in 2017 and 2018. AEC also expects a relatively unchanged level of building permits valuation for the short run because of the increased number of listings and of months inventory.

Seasonality and monthly variability in terms of economic activity and magnitude will remain in the short run and will continue to constitute South Padre Island's greatest challenge.

The development of LNG facilities at the Port of Brownsville could provide a sizeable boost to the region's economy during the construction phase and will help showcase the region to the world. Queen Isabella Causeway crossing data continues to show that the seasonal variability in causeway traffic is less pronounced than the variability observed in monthly sales tax revenue and occupancy tax revenue. These inconsistencies in the two sets of data suggest that most of the traffic during off-peak months is generated by residents of surrounding communities who do not stay at the island overnight or spend money at the island during their



visits. Developing a comprehensive entertainment district with programs targeted at the region's residents, could help the island capture some spending from surrounding communities' visitors.

## References

Bureau of Economic Analysis

Bureau of Labor Statistics

Federal Reserve Bank of Dallas

Federal Reserve Bank of New York

National Association of Realtors

The Conference Board

Texas A&M Real Estate Center

Texas Destinations 2007-2008, Office of Governor, Economic Development Tourism

Division

Valley Markets & Research Center: <http://coba.utpa.edu/tourism/file/WTR2008-summary.pdf>

World Bank

[www.city-data.com](http://www.city-data.com)

**6.**

**DRAFT**

**CITY OF SOUTH PADRE ISLAND  
ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS**

**MINUTES**  
Regular Meeting  
September 19th, 2017

**1. CALL TO ORDER**

A regular meeting of the Board of Directors of the City of South Padre Island Economic Development Corporation was held on Tuesday, September 19<sup>th</sup> 2017, at the City Hall, Joyce H. Adams Board Room, 2<sup>nd</sup> floor, 4601 Padre Blvd., South Padre Island, Texas. President Irv Downing called the meeting to order at 9:00 a.m. Other Board members present were Vice-President Ron Pitcock, and Directors Dan Seitz, Susan Guthrie, Jerry Pace, and Mickey Furcron. Secretary/Treasurer Bob Friedman was absent. Also present were Executive Director Darla Lapeyre, SPI Birding and Nature Center Manager Cristin Howard, and Mayor Pro Tem Dennis Stahl.

**2. PLEDGE OF ALLEGIANCE**

**3. PUBLIC COMMENTS AND ANNOUNCEMENTS**

Birding and Nature Center President Lynne Tate announced the Birding Center will be having their 8<sup>th</sup> Anniversary celebration on September 23<sup>rd</sup> from 9 a.m. to 3 p.m. and invited the Board members to attend.

**4. PRESENTATION BY MATT RUSZCZAK REGARDING THE RIO SOUTH TEXAS ECONOMIC COUNCIL**

The Board was given a presentation regarding the Rio South Texas Economic Council's program of work and core activities. Their Executive Director Matt Ruszczak made the presentation and answered questions.

**5. APPROVE THE CONSENT AGENDA**

**5a. Approve the Minutes from Regular Meeting of August 15<sup>th</sup>, 2017**

**5b. Financial Report for EDC-August 2017**

**5c. Approve the Financial Report for the Birding and Nature Center – August 2017**

Upon a motion from Ron Pitcock and a second by Jerry Pace, the consent agenda was unanimously approved.

**6. DISCUSSION AND POSSIBLE ACTION REGARDING REVISIONS TO THE FAÇADE IMPROVEMENT GRANT PROGRAM GUIDELINES**

Upon a motion from Susan Guthrie and a second by Mickey Furcron the Board unanimously approved the proposed changes to the guidelines, to add locally owned franchises as eligible participants, and to appoint Dan Seitz as the EDC Board representative to the Façade Improvement Grant Committee. The motion was unanimously approved.

**7. DISCUSSION AND POSSIBLE ACTION REGARDING THE STRATEGIC PLAN FOR THE EDC EXECUTIVE DIRECTOR AND BOARD OF DIRECTORS FOR 2017-18**

Upon a motion from Ron Pitcock and a second by Mickey Furcron the Board unanimously approved the Strategic Plan as presented.

**8. EXECUTIVE DIRECTOR'S REPORT**

Darla Lapeyre distributed a written report that included meetings and events she attended, upcoming meetings and events, and ongoing projects and programs. President Irv Downing suggested the Director's activity report be incorporated into the Strategic Plan document for future meetings.

**9. ADJOURNMENT**

There being no further business the meeting was adjourned at 9.52 a.m.

S E A L

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Darla Lapeyre  
Executive Director

APPROVED:

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Irv Downing  
President



# Memo

**To:** South Padre Island Economic Development Corporation Board of Directors  
**From:** Rodrigo Gimenez, Chief Financial Officer  
City of South Padre Island  
**CC:** Darla Lapeyre  
**Date:** October 20, 2017  
**Re:** September 30, 2017 Operating Statement

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The September 30, 2017 Operating Statement for the South Padre Island Economic Development Corporation as well as the Balance Sheet as of September 30, 2017 are attached for your review. **Transactions summarized in the statements are those processed through the Finance Department of the City.**

The Birding and Nature Center sales are not reflected in these financial statements, since they took their bookkeeping in house in October 2011.

Sales Tax amounts include the August tax collections sent to the State of Texas in September and distributed to local governments in October. This October allocation payment is accrued for financial statement presentation purposes in the September operating statement.

Please contact me at [rgimenez@MYSPI.org](mailto:rgimenez@MYSPI.org) at your earliest convenience should you have any questions.

*"A Certified Retirement Community"*

**City of South Padre Island**  
**Economic Development Corporation**  
**Balance Sheet**  
**September 30, 2017/2016**

<b>Assets</b>	<b>2017</b>	<b>2016</b>
Cash and cash equivalents	\$ 859,613	\$ 796,923
Receivables - Sales Tax	78,262	84,769
Revolving Loan Receivable	46,242	56,935
Due From General Fund	-	-
Miscellaneous Receivables	-	-
Prepaid Expenses	-	615
<b>TOTAL ASSETS</b>	<b>\$ 984,117</b>	<b>\$ 939,242</b>

<b>Liabilities and Fund Balances</b>		
Deferred Revenue	\$ 46,242	\$ 56,935
Accounts Payable	-	-
Sales Tax Payable	-	-
Payroll Taxes Payable	-	-
Wages Payable	-	-
Due to General Fund	-	2,025
Reserved for Encumbrances	-	-
Other liabilities	2,269	2,269
<b>Total Liabilities</b>	<b>48,511</b>	<b>61,229</b>
<b>Fund Balance</b>	<b>935,606</b>	<b>878,013</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 984,117</b>	<b>\$ 939,242</b>

**City of South Padre Island**  
**Economic Development Corporation**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**September 30, 2017/2016**

	<b>2017</b>		<b>2016</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b><u>REVENUES</u></b>			
Sales Tax	\$ 770,000	\$ 813,376	\$ 772,990
Revolving Loan Revenue	10,693	10,692	8,590
Grant Revenue	-	-	-
Interest Revenue	2,083	5,989	3,446
BNC Expense Reimbursement	-	-	-
Miscellaneous Revenues	(20)	10	20
<b>Total Revenue</b>	<b>782,756</b>	<b>830,067</b>	<b>\$ 785,046</b>
<b><u>EXPENDITURES</u></b>			
General Administrative Expenses	767,756	678,358	605,521
BNC Cash Advances	20,000	-	9,100
Birding Center Expenses	95,000	92,531	50,585
<b>Total Expenditures</b>	<b>882,756</b>	<b>770,889</b>	<b>\$665,206</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	59,178	\$ 119,840
Fund balance - beginning	876,428	876,428	758,173
<b>Fund balance - ending</b>	<b>\$ 776,428</b>	<b>\$ 935,606</b>	<b>\$ 878,013</b>



FUND :80 -ECONOMIC DEVELOPMENT CORP

SCHEDULE OF BUDGETED, ACTUAL AND ENCUMBERED EXPENDITURES

DEPARTMENT : DEPT 580 - EDC

NOTATION :

ACCOUNT NUMBERS	ACCOUNT DESCRIPTION	-- MONTH --   -----		YEAR TO DATE -----		CURRENT	UNENCUMBERED	BUDGET
		EXPENDITURES	ENCUMBRANCES	EXPENDITURES	TOTALS	MODIFIED BUDGET	BALANCE	PERCENT REMAINING
<u>PERSONNEL SERVICES</u>								
580-0010	SUPERVISION	6,807.69	0.00	58,999.98	58,999.98	59,000.00	0.02	0.00
580-0020	CLERICAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0060	OVERTIME	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0070	FICA	65.80	0.00	855.40	855.40	1,109.00	253.60	22.87
580-0080	TMRS	1,149.12	0.00	7,464.52	7,464.52	7,638.00	173.48	2.27
580-0081	GROUP INSURANCE	496.35	0.00	5,961.64	5,961.64	6,974.00	1,012.36	14.52
580-0083	WORKERS COMPENSATION	0.00	0.00	0.00	0.00	237.00	237.00	100.00
580-0084	UNEMPLOYMENT TAX	0.00	0.00	53.10	53.10	180.00	126.90	70.50
		=====	=====	=====	=====	=====	=====	=====
		8,518.96	0.00	73,334.64	73,334.64	75,138.00	1,803.36	2.40
		=====	=====	=====	=====	=====	=====	=====
<u>GOODS AND SUPPLIES</u>								
580-0101	OFFICE SUPPLIES	0.00	0.00	794.18	794.18	1,000.00	205.82	20.58
580-0102	LOCAL METTINGS	118.82	0.00	524.57	524.57	500.00 (	24.57) (	4.91)
580-0107	BOOKS & PUBLICATIONS	0.00	0.00	209.20	209.20	600.00	390.80	65.13
580-0108	POSTAGE	3.66	0.00	43.86	43.86	200.00	156.14	78.07
580-0150	MINOR TOOLS & EQUIPM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0180	INFORMATION TECHNOLO	0.00	0.00	172.79	172.79	1,500.00	1,327.21	88.48
		=====	=====	=====	=====	=====	=====	=====
		122.48	0.00	1,744.60	1,744.60	3,800.00	2,055.40	54.09
		=====	=====	=====	=====	=====	=====	=====
<u>MISCELLANEOUS SERVICES</u>								
580-0501	COMMUNICATIONS	61.98	0.00	707.59	707.59	800.00	92.41	11.55
580-0502	LOAN REV EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0513	TRAINING EXPENSE	0.00	0.00	1,153.00	1,153.00	1,500.00	347.00	23.13
580-0520	INSURANCE	0.00	0.00	913.00	913.00	1,000.00	87.00	8.70
580-0530	PROFESSIONAL SERVICE	3,267.89	0.00	12,948.62	12,948.62	8,500.00 (	4,448.62) (	52.34)
580-0534-001	BIRDING MASTER PLAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-002	LOBBYIST	0.00	0.00	22,916.63	22,916.63	25,000.00	2,083.37	8.33
580-0534-003	COMPREHENSIVE PLAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-004	BEACH MASTER PLAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-005	REGIONAL MOBILITY AU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-006	ECONOMIC ACTIVITY IN	0.00	0.00	4,000.00	4,000.00	4,000.00	0.00	0.00
580-0534-010	BAY CLEANUP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-012	AREA MARKETING STUDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-013	USDA RBEG	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-014	I-69 ALLIANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-015	BROWN PROPERTY INTER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-016	BIRDING MASTER NON-C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-017	OTHER PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-018	GULF OF MEXICO NATUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0534-019	BUSINESS RECRUITMENT	0.00	0.00	29,822.00	29,822.00	35,000.00	5,178.00	14.79

FUND :80 -ECONOMIC DEVELOPMENT CORP

SCHEDULE OF BUDGETED, ACTUAL AND ENCUMBERED EXPENDITURES

DEPARTMENT : DEPT 580 - EDC

NOTATION :

ACCOUNT NUMBERS	ACCOUNT DESCRIPTION	-- MONTH --		----- YEAR TO DATE -----		CURRENT	UNENCUMBERED	BUDGET
		EXPENDITURES	ENCUMBRANCES	EXPENDITURES	TOTALS	MODIFIED BUDGET	BALANCE	PERCENT REMAINING
580-0534-020	BNC LANDSCAPING PROJ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0540	ADVERTISING	0.00	0.00	2,808.98	2,808.98	3,500.00	691.02	19.74
580-0550	TRAVEL	0.00	0.00	1,278.56	1,278.56	5,000.00	3,721.44	74.43
580-0551	DUES & MEMBERSHIPS	0.00	0.00	1,215.00	1,215.00	1,000.00	( 215.00)	( 21.50)
580-0555	PROMOTIONS	0.00	0.00	1,750.00	1,750.00	3,000.00	1,250.00	41.67
580-0560	RENTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0576	BEACH RENOURISHMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0580	INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0599	PROMOTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		3,329.87	0.00	79,513.38	79,513.38	88,300.00	8,786.62	9.95

EQUIPMNT > \$5,000 OUTLAY

580-1001	BUILDINGS & STRUCTUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-1003	FURNITURE & FIXTURES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-1004	MACHINERY & EQUIPMEN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-1011	INFORMATION TECHNOLO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00

INTERFUND TRANSFERS

580-9470	TSF TO GENERAL FUND	0.00	0.00	100,000.00	100,000.00	100,000.00	0.00	0.00
580-9476	BEACH NOURISHMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-9480	TRANSFER TO EDC DEBT	32,835.92	0.00	394,031.04	394,031.04	394,031.00	( 0.04)	0.00
		32,835.92	0.00	494,031.04	494,031.04	494,031.00	( 0.04)	0.00

SPECIAL PROJECTS

580-9175	ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-9178	DESIGNATED PROJECTS	6,400.00	0.00	29,734.00	29,734.00	106,487.00	76,753.00	72.08
580-9178-001	TOMPKINS CHANNEL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-9181	BNC CASH ADVANCE	0.00	0.00	0.00	0.00	20,000.00	20,000.00	100.00
		6,400.00	0.00	29,734.00	29,734.00	126,487.00	96,753.00	76.49

DEPARTMENT TOTAL		51,207.23	0.00	678,357.66	678,357.66	787,756.00	109,398.34	13.89
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3:35 PM

## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

## Balance Sheet

10/09/17

As of September 30, 2017

Accrual Basis

	Sep 30, 17
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
\$\$BNC Operating 38458	13,830.98
Cash on Hand	
Cash Box	300.00
Kiosk Cash	1,600.00
Register Drawer	500.00
Total Cash on Hand	2,400.00
SPI BNC MMAcct 38415	23,642.92
Total Checking/Savings	39,873.90
Other Current Assets	
Inventory Asset	49,287.41
Total Other Current Assets	49,287.41
Total Current Assets	89,161.31
Fixed Assets	
Accumulated Depreciation	-27,003.00
Boardwalk	40,750.00
Building Improvement	19,562.01
Furniture and Equipment	10,600.00
Landscape and Grounds	9,000.00
Total Fixed Assets	52,909.01
<b>TOTAL ASSETS</b>	<b>142,070.32</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	11,531.49
Total Accounts Payable	11,531.49
Other Current Liabilities	
INSURANCE	
HEALTH	519.00
Total INSURANCE	519.00
Payroll Liabilities	
FIT and FICA-Medicare	4,350.15
Total Payroll Liabilities	4,350.15
Sales Tax Payable	908.56
Total Other Current Liabilities	5,777.71
Total Current Liabilities	17,309.20
Long Term Liabilities	
EDC Loan 270101	45,477.42
Entrance Gate Loan	-11,500.00
Total Long Term Liabilities	33,977.42
Total Liabilities	51,286.62
Equity	
Fund Balances	
Board Designated	8,000.00
Total Fund Balances	8,000.00

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**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**

10/09/17

**Balance Sheet**

Accrual Basis

As of September 30, 2017

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	<u>Sep 30, 17</u>
Unrestricted	70,053.93
Net Income	<u>12,729.77</u>
Total Equity	<u>90,783.70</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>142,070.32</u></b>

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## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

## Profit &amp; Loss Budget vs. Actual

10/09/17

October 2016 through September 2017

Accrual Basis

	Oct '16 - Se...	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
ADMISSIONS INCOME				
DISCOUNT ADMISSIONS	636.00	2,000.00	-1,364.00	31.8%
EXTENDED PASS ADMISSIONS	10,269.25	9,000.00	1,269.25	114.1%
GENERAL ADMISSIONS	225,449.60	175,000.00	50,449.60	128.8%
GROUP ADMISSIONS	7,211.00	8,500.00	-1,289.00	84.8%
Total ADMISSIONS INCOME	243,565.85	194,500.00	49,065.85	125.2%
BUILDING RENTAL INCOME	15,885.00	20,000.00	-4,115.00	79.4%
CONTRIBUTIONS				
DESIGNATED				
JOJO	475.33			
Total DESIGNATED	475.33			
DONATIONS				
HALLO WINGS	0.00	1,000.00	-1,000.00	0.0%
MEMBERSHIP	5,050.00	30,000.00	-24,950.00	16.8%
SPECIAL EVENTS	257.12	5,000.00	-4,742.88	5.1%
SPOONBILL MINI GOLF TOURNAMENT	4,677.02	5,500.00	-822.98	85.0%
SUMMER CAMP	0.00	0.00	0.00	0.0%
W O W E	12,606.72	12,300.00	306.72	102.5%
DONATIONS - Other	15,543.83			
Total DONATIONS	38,134.69	53,800.00	-15,665.31	70.9%
EVENT PARKING	26,756.73	0.00	26,756.73	100.0%
PARKING GATE	0.00	0.00	0.00	0.0%
Total CONTRIBUTIONS	65,366.75	53,800.00	11,566.75	121.5%
GIFT SHOP INCOME				
CONSIGNMENT SALES	3,888.71	5,000.00	-1,111.29	77.8%
GIFT SHOP SALES	142,512.04	125,000.00	17,512.04	114.0%
VENDING INCOME	23.64	1,000.00	-976.36	2.4%
Total GIFT SHOP INCOME	146,424.39	131,000.00	15,424.39	111.8%
Gift Shop Sales	0.00			
Total Income	471,241.99	399,300.00	71,941.99	118.0%
Cost of Goods Sold				
COST OF GOODS SOLD				
COST OF GOODS CONSIGNMENT	3,208.00	3,600.00	-392.00	89.1%
COST OF GOODS GIFT SHOP	70,016.63	62,500.00	7,516.63	112.0%
Total COST OF GOODS SOLD	73,224.63	66,100.00	7,124.63	110.8%
Total COGS	73,224.63	66,100.00	7,124.63	110.8%
Gross Profit	398,017.36	333,200.00	64,817.36	119.5%
Expense				
OPERATIONS EXPENSES				
ADVERTISING & PROMOTION				
BOOTH RENT	260.00	650.00	-390.00	40.0%
GUIDES & DIRECTORIES	5,440.46	2,200.00	3,240.46	247.3%
PHOTOGRAPHY & VIDEO	0.00	3,800.00	-3,800.00	0.0%
PRINT	3,721.51	3,600.00	121.51	103.4%
SOCIAL & INTERNET	315.41	0.00	315.41	100.0%
Total ADVERTISING & PROMOTION	9,737.38	10,250.00	-512.62	95.0%
BANK SERVICE CHARGES	0.00	0.00	0.00	0.0%
CREDIT CARD FEES	17,568.61	10,120.00	7,448.61	173.6%
DUES & SUBSCRIPTIONS	465.00	670.00	-205.00	69.4%
FUNDRAISING & EVENTS				

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## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

## Profit &amp; Loss Budget vs. Actual

10/09/17

October 2016 through September 2017

Accrual Basis

	Oct '16 - Se...	Budget	\$ Over Budget	% of Budget
DESIGNATED REIMBURSEMENTS	0.00	500.00	-500.00	0.0%
GREAT TEXAS BIRDING CLASSIC	0.00	0.00	0.00	0.0%
HALLO WINGS	1,034.00	750.00	284.00	137.9%
JOJO	3,065.95	3,000.00	65.95	102.2%
LETTERS & BROCHURES	275.80	1,000.00	-724.20	27.6%
MEMBERSHIP DRIVE	467.10			
MONARCH CELEBRATION	0.00	0.00	0.00	0.0%
PHOTOGRAPHY WORKSHOP	0.00	250.00	-250.00	0.0%
PLAQUES & BRICKS	717.50	900.00	-182.50	79.7%
SPECIAL EVENTS	607.14	350.00	257.14	173.5%
SPOONBILL MINI GOLF TOURNAMENT	396.88	500.00	-103.12	79.4%
SUMMER CAMP	100.00	300.00	-200.00	33.3%
W O W E	6,546.93	5,500.00	1,046.93	119.0%
<b>Total FUNDRAISING &amp; EVENTS</b>	<b>13,211.30</b>	<b>13,050.00</b>	<b>161.30</b>	<b>101.2%</b>
GIFT SHOP SUPPLIES	403.18	300.00	103.18	134.4%
INSURANCE				
DIRECTORS & OFFICERS	1,266.00	0.00	1,266.00	100.0%
HEALTH	2,154.10	0.00	2,154.10	100.0%
WORKERS COMPENSATION	2,986.00	0.00	2,986.00	100.0%
INSURANCE - Other	0.00	6,000.00	-6,000.00	0.0%
<b>Total INSURANCE</b>	<b>6,406.10</b>	<b>6,000.00</b>	<b>406.10</b>	<b>106.8%</b>
LEGAL & PROFESSIONAL	8,716.25	8,400.00	316.25	103.8%
LOAN EXPENSE	2,059.17	2,810.00	-750.83	73.3%
LOCAL MEETINGS				
MEALS & SNACKS	401.23	200.00	201.23	200.6%
VOLUNTEER APPRECIATION	599.00	600.00	-1.00	99.8%
<b>Total LOCAL MEETINGS</b>	<b>1,000.23</b>	<b>800.00</b>	<b>200.23</b>	<b>125.0%</b>
MAINTENANCE & REPAIRS				
BUILDING	11,334.22	5,000.00	6,334.22	226.7%
GROUNDS	13,825.08	3,000.00	10,825.08	460.8%
HABITAT	0.00	0.00	0.00	0.0%
<b>Total MAINTENANCE &amp; REPAIRS</b>	<b>25,159.30</b>	<b>8,000.00</b>	<b>17,159.30</b>	<b>314.5%</b>
OFFICE & PRINTING	1,617.80	1,200.00	417.80	134.8%
PAYROLL SERVICE	707.82	700.00	7.82	101.1%
POSTAGE & FREIGHT	484.71	500.00	-15.29	96.9%
SOFTWARE	1,133.41	500.00	633.41	226.7%
SUPPLIES	5,488.43	4,000.00	1,488.43	137.2%
TRAINING				
ANCA	2,473.46	0.00	2,473.46	100.0%
OTHER	0.00	0.00	0.00	0.0%
TRAINING - Other	0.00	300.00	-300.00	0.0%
<b>Total TRAINING</b>	<b>2,473.46</b>	<b>300.00</b>	<b>2,173.46</b>	<b>824.5%</b>
TRAVEL	3,313.97	2,000.00	1,313.97	165.7%
<b>Total OPERATIONS EXPENSES</b>	<b>99,946.12</b>	<b>69,600.00</b>	<b>30,346.12</b>	<b>143.6%</b>
POS Inventory Adjustments	0.00			
RENT	10.00			
SALARIES AND TAXES				
CONTRACT CLERICAL	696.00			
GIFT SHOP ATTENDANTS	29,683.73	32,760.00	-3,076.27	90.6%
JANITOR	15,962.40	13,000.00	2,962.40	122.8%
MAINTENANCE	26,468.75	26,000.00	468.75	101.8%
MANAGER	45,015.85	45,000.00	15.85	100.0%
NATURALIST	32,461.54	32,000.00	461.54	101.4%
PAYROLL TAXES	11,457.36	11,400.00	57.36	100.5%
<b>Total SALARIES AND TAXES</b>	<b>161,745.63</b>	<b>160,160.00</b>	<b>1,585.63</b>	<b>101.0%</b>



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## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

## Profit &amp; Loss Budget vs. Actual

10/09/17

October 2016 through September 2017

Accrual Basis

	Oct '16 - Se...	Budget	\$ Over Budget	% of Budget
<b>SERVICE CONTRACTS</b>				
AIR CONDITIONING	3,946.17	3,900.00	46.17	101.2%
BACKGROUND CHECKS	20.00	110.00	-90.00	18.2%
CLEANING SUPPLIES	4,279.36	2,800.00	1,479.36	152.8%
DRINKING WATER	599.98	600.00	-0.02	100.0%
EBIRD TRAIL TRACKER	650.00	650.00	0.00	100.0%
ELEVATOR	0.00	0.00	0.00	0.0%
<b>INFORMATION TECHNOLOGY</b>				
COMPUTER COPIER	22,160.03	19,500.00	2,660.03	113.6%
KIOSK	2,896.17	0.00	2,896.17	100.0%
<b>Total INFORMATION TECHNOLOGY</b>	<b>25,056.20</b>	<b>19,500.00</b>	<b>5,556.20</b>	<b>128.5%</b>
KIOSK LEASE PURCHASE	7,213.71	6,920.00	293.71	104.2%
LAWN & GROUNDS	0.00	0.00	0.00	0.0%
LINENS MOPS MATS	0.00	0.00	0.00	0.0%
PARKING GATE	0.00	0.00	0.00	0.0%
PEST CONTROL	936.00	940.00	-4.00	99.6%
SECURITY	3,214.03	2,470.00	744.03	130.1%
<b>TELEPHONE &amp; INTERNET</b>				
ATT EMERGENCY LINES	2,829.97	2,690.00	139.97	105.2%
ATT INTERNET	15,734.65	10,080.00	5,654.65	156.1%
ATT VOICE	3,269.76	4,480.00	-1,210.24	73.0%
<b>Total TELEPHONE &amp; INTERNET</b>	<b>21,834.38</b>	<b>17,250.00</b>	<b>4,584.38</b>	<b>126.6%</b>
<b>WEBSITE &amp; CLOUD</b>	<b>581.30</b>	<b>1,000.00</b>	<b>-418.70</b>	<b>58.1%</b>
<b>Total SERVICE CONTRACTS</b>	<b>68,331.13</b>	<b>56,140.00</b>	<b>12,191.13</b>	<b>121.7%</b>
<b>UTILITIES</b>				
ELECTRICITY	22,616.17	26,400.00	-3,783.83	85.7%
TRASH	1,287.39	1,400.00	-112.61	92.0%
WATER / SEWER	25,775.63	19,500.00	6,275.63	132.2%
<b>Total UTILITIES</b>	<b>49,679.19</b>	<b>47,300.00</b>	<b>2,379.19</b>	<b>105.0%</b>
<b>Total Expense</b>	<b>379,712.07</b>	<b>333,200.00</b>	<b>46,512.07</b>	<b>114.0%</b>
<b>Net Ordinary Income</b>	<b>18,305.29</b>	<b>0.00</b>	<b>18,305.29</b>	<b>100.0%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
INTEREST INCOME	14.48			
<b>Total Other Income</b>	<b>14.48</b>			
<b>Other Expense</b>				
Balancing Adjustments	0.00			
DEPRECIATION	5,590.00			
<b>Total Other Expense</b>	<b>5,590.00</b>			
<b>Net Other Income</b>	<b>-5,575.52</b>			
<b>Net Income</b>	<b>12,729.77</b>	<b>0.00</b>	<b>12,729.77</b>	<b>100.0%</b>

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10/09/17

Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
**October 2016 through September 2017**

	Oct '16 - Se...	Oct '15 - Se...	\$ Change	% Change
Ordinary Income/Expense				
Income				
ADMISSIONS INCOME				
DISCOUNT ADMISSIONS	636.00	2,008.99	-1,372.99	-68.3%
EXTENDED PASS ADMISSIONS	10,269.25	8,962.25	1,307.00	14.6%
GENERAL ADMISSIONS	225,449.60	190,650.21	34,799.39	18.3%
GROUP ADMISSIONS	7,211.00	7,893.00	-682.00	-8.6%
Total ADMISSIONS INCOME	243,565.85	209,514.45	34,051.40	16.3%
BUILDING RENTAL INCOME	15,885.00	14,713.00	1,172.00	8.0%
CONTRIBUTIONS				
DESIGNATED				
JOJO	475.33	0.00	475.33	100.0%
Total DESIGNATED	475.33	0.00	475.33	100.0%
DONATIONS				
HALLO WINGS	0.00	800.00	-800.00	-100.0%
MEMBERSHIP	5,050.00	100.00	4,950.00	4,950.0%
SPECIAL EVENTS	257.12	1,298.00	-1,040.88	-80.2%
SPOONBILL MINI GOLF TOURNAMENT	4,677.02	0.00	4,677.02	100.0%
W O W E	12,606.72	3,500.00	9,106.72	260.2%
DONATIONS - Other	15,543.83	26,097.69	-10,553.86	-40.4%
Total DONATIONS	38,134.69	31,795.69	6,339.00	19.9%
EVENT PARKING	26,756.73	7,485.00	19,271.73	257.5%
Total CONTRIBUTIONS	65,366.75	39,280.69	26,086.06	66.4%
GIFT SHOP INCOME				
CONSIGNMENT SALES	3,888.71	5,625.60	-1,736.89	-30.9%
GIFT SHOP SALES	142,512.04	137,751.82	4,760.22	3.5%
VENDING INCOME	23.64	943.80	-920.16	-97.5%
Total GIFT SHOP INCOME	146,424.39	144,321.22	2,103.17	1.5%
Gift Shop Sales	0.00	0.00	0.00	0.0%
Service Sales	0.00	0.00	0.00	0.0%
Total Income	471,241.99	407,829.36	63,412.63	15.6%
Cost of Goods Sold				
COST OF GOODS SOLD				
COST OF GOODS CONSIGNMENT	3,208.00	4,800.89	-1,592.89	-33.2%
COST OF GOODS GIFT SHOP	70,016.63	64,380.54	5,636.09	8.8%
Total COST OF GOODS SOLD	73,224.63	69,181.43	4,043.20	5.8%
RETURNS, ALLOWANCES, BAD DEBTS	0.00	2.17	-2.17	-100.0%
Total COGS	73,224.63	69,183.60	4,041.03	5.8%
Gross Profit	398,017.36	338,645.76	59,371.60	17.5%
Expense				
OPERATIONS EXPENSES				
ADVERTISING & PROMOTION				
BOOTH RENT	260.00	735.00	-475.00	-64.6%
GUIDES & DIRECTORIES	5,440.46	5,564.34	-123.88	-2.2%
PHOTOGRAPHY & VIDEO	0.00	200.00	-200.00	-100.0%
PRINT	3,721.51	4,335.67	-614.16	-14.2%
SOCIAL & INTERNET	315.41	0.00	315.41	100.0%
Total ADVERTISING & PROMOTION	9,737.38	10,835.01	-1,097.63	-10.1%
BANK SERVICE CHARGES	0.00	2.11	-2.11	-100.0%
CREDIT CARD FEES	17,568.61	13,370.51	4,198.10	31.4%
DUES & SUBSCRIPTIONS	465.00	406.10	58.90	14.5%

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## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

10/09/17

## Profit &amp; Loss Prev Year Comparison

Accrual Basis

October 2016 through September 2017

	Oct '16 - Se...	Oct '15 - Se...	\$ Change	% Change
<b>FUNDRAISING &amp; EVENTS</b>				
HALLO WINGS	1,034.00	19.00	1,015.00	5,342.1%
JOJO	3,065.95	1,080.11	1,985.84	183.9%
LETTERS & BROCHURES	275.80	609.41	-333.61	-54.7%
MEMBERSHIP DRIVE	467.10	0.00	467.10	100.0%
PHOTOGRAPHY WORKSHOP	0.00	120.00	-120.00	-100.0%
PLAQUES & BRICKS	717.50	547.00	170.50	31.2%
SPECIAL EVENTS	607.14	1,416.22	-809.08	-57.1%
SPOONBILL MINI GOLF TOURNAMENT	396.88	442.52	-45.64	-10.3%
SUMMER CAMP	100.00	76.90	23.10	30.0%
W O W E	6,546.93	4,114.85	2,432.08	59.1%
<b>Total FUNDRAISING &amp; EVENTS</b>	<b>13,211.30</b>	<b>8,426.01</b>	<b>4,785.29</b>	<b>56.8%</b>
<b>GIFT SHOP SUPPLIES</b>	<b>403.18</b>	<b>253.38</b>	<b>149.80</b>	<b>59.1%</b>
<b>INSURANCE</b>				
DIRECTORS & OFFICERS	1,266.00	558.00	708.00	126.9%
HEALTH	2,154.10	0.00	2,154.10	100.0%
WORKERS COMPENSATION	2,986.00	1,268.02	1,717.98	135.5%
INSURANCE - Other	0.00	2,909.00	-2,909.00	-100.0%
<b>Total INSURANCE</b>	<b>6,406.10</b>	<b>4,735.02</b>	<b>1,671.08</b>	<b>35.3%</b>
<b>LEGAL &amp; PROFESSIONAL</b>	<b>8,716.25</b>	<b>9,912.50</b>	<b>-1,196.25</b>	<b>-12.1%</b>
<b>LOAN EXPENSE</b>	<b>2,059.17</b>	<b>2,271.51</b>	<b>-212.34</b>	<b>-9.4%</b>
<b>LOCAL MEETINGS</b>				
MEALS & SNACKS	401.23	372.30	28.93	7.8%
VOLUNTEER APPRECIATION	599.00	748.75	-149.75	-20.0%
<b>Total LOCAL MEETINGS</b>	<b>1,000.23</b>	<b>1,121.05</b>	<b>-120.82</b>	<b>-10.8%</b>
<b>MAINTENANCE &amp; REPAIRS</b>				
BUILDING	11,334.22	6,425.45	4,908.77	76.4%
GROUNDS	13,825.08	3,557.77	10,267.31	288.6%
HABITAT	0.00	720.00	-720.00	-100.0%
<b>Total MAINTENANCE &amp; REPAIRS</b>	<b>25,159.30</b>	<b>10,703.22</b>	<b>14,456.08</b>	<b>135.1%</b>
<b>OFFICE &amp; PRINTING</b>	<b>1,617.80</b>	<b>1,794.41</b>	<b>-176.61</b>	<b>-9.8%</b>
<b>PAYROLL SERVICE</b>	<b>707.82</b>	<b>686.52</b>	<b>21.30</b>	<b>3.1%</b>
<b>POSTAGE &amp; FREIGHT</b>	<b>484.71</b>	<b>477.98</b>	<b>6.73</b>	<b>1.4%</b>
<b>SOFTWARE</b>	<b>1,133.41</b>	<b>1,595.03</b>	<b>-461.62</b>	<b>-28.9%</b>
<b>SUPPLIES</b>	<b>5,488.43</b>	<b>3,364.75</b>	<b>2,123.68</b>	<b>63.1%</b>
<b>TRAINING</b>				
ANCA	2,473.46	1,169.04	1,304.42	111.6%
OTHER	0.00	1,000.00	-1,000.00	-100.0%
<b>Total TRAINING</b>	<b>2,473.46</b>	<b>2,169.04</b>	<b>304.42</b>	<b>14.0%</b>
<b>TRAVEL</b>	<b>3,313.97</b>	<b>3,102.65</b>	<b>211.32</b>	<b>6.8%</b>
<b>Total OPERATIONS EXPENSES</b>	<b>99,946.12</b>	<b>75,226.80</b>	<b>24,719.32</b>	<b>32.9%</b>
<b>POS Inventory Adjustments</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>RENT</b>	<b>10.00</b>	<b>0.00</b>	<b>10.00</b>	<b>100.0%</b>
<b>SALARIES AND TAXES</b>				
CONTRACT CLERICAL	696.00	0.00	696.00	100.0%
GIFT SHOP ATTENDANTS	29,683.73	29,662.64	21.09	0.1%
JANITOR	15,962.40	17,162.13	-1,199.73	-7.0%
MAINTENANCE	26,468.75	21,068.90	5,399.85	25.6%
MANAGER	45,015.85	43,307.58	1,708.27	3.9%
NATURALIST	32,461.54	7,384.62	25,076.92	339.6%
PAYROLL TAXES	11,457.36	9,452.21	2,005.15	21.2%
<b>Total SALARIES AND TAXES</b>	<b>161,745.63</b>	<b>128,038.08</b>	<b>33,707.55</b>	<b>26.3%</b>
<b>SERVICE CONTRACTS</b>				
AIR CONDITIONING	3,946.17	3,818.29	127.88	3.4%
BACKGROUND CHECKS	20.00	33.75	-13.75	-40.7%

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10/09/17

Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
**October 2016 through September 2017**

	Oct '16 - Se...	Oct '15 - Se...	\$ Change	% Change
CLEANING SUPPLIES	4,279.36	2,787.03	1,492.33	53.6%
DRINKING WATER	599.98	746.92	-146.94	-19.7%
EBIRD TRAIL TRACKER	650.00	0.00	650.00	100.0%
INFORMATION TECHNOLOGY				
COMPUTER COPIER	22,160.03	21,037.68	1,122.35	5.3%
KIOSK	2,896.17	0.00	2,896.17	100.0%
<b>Total INFORMATION TECHNOLOGY</b>	<b>25,056.20</b>	<b>21,037.68</b>	<b>4,018.52</b>	<b>19.1%</b>
KIOSK LEASE PURCHASE	7,213.71	6,918.40	295.31	4.3%
LAWN & GROUNDS	0.00	6,799.04	-6,799.04	-100.0%
PEST CONTROL	936.00	936.00	0.00	0.0%
SECURITY	3,214.03	2,316.64	897.39	38.7%
TELEPHONE & INTERNET				
ATT EMERGENCY LINES	2,829.97	2,905.58	-75.61	-2.6%
ATT INTERNET	15,734.65	10,508.81	5,225.84	49.7%
ATT VOICE	3,269.76	4,532.69	-1,262.93	-27.9%
<b>Total TELEPHONE &amp; INTERNET</b>	<b>21,834.38</b>	<b>17,947.08</b>	<b>3,887.30</b>	<b>21.7%</b>
WEBSITE & CLOUD	581.30	304.22	277.08	91.1%
<b>Total SERVICE CONTRACTS</b>	<b>68,331.13</b>	<b>63,645.05</b>	<b>4,686.08</b>	<b>7.4%</b>
UTILITIES				
ELECTRICITY	22,616.17	23,502.55	-886.38	-3.8%
TRASH	1,287.39	1,159.64	127.75	11.0%
WATER / SEWER	25,775.63	24,732.35	1,043.28	4.2%
<b>Total UTILITIES</b>	<b>49,679.19</b>	<b>49,394.54</b>	<b>284.65</b>	<b>0.6%</b>
<b>Total Expense</b>	<b>379,712.07</b>	<b>316,304.47</b>	<b>63,407.60</b>	<b>20.1%</b>
<b>Net Ordinary Income</b>	<b>18,305.29</b>	<b>22,341.29</b>	<b>-4,036.00</b>	<b>-18.1%</b>
Other Income/Expense				
Other Income				
EDC ADVANCE	0.00	9,100.00	-9,100.00	-100.0%
INTEREST INCOME	14.48	6.66	7.82	117.4%
<b>Total Other Income</b>	<b>14.48</b>	<b>9,106.66</b>	<b>-9,092.18</b>	<b>-99.8%</b>
Other Expense				
Balancing Adjustments	0.00	0.00	0.00	0.0%
DEPRECIATION	5,590.00	6,039.00	-449.00	-7.4%
<b>Total Other Expense</b>	<b>5,590.00</b>	<b>6,039.00</b>	<b>-449.00</b>	<b>-7.4%</b>
<b>Net Other Income</b>	<b>-5,575.52</b>	<b>3,067.66</b>	<b>-8,643.18</b>	<b>-281.8%</b>
<b>Net Income</b>	<b>12,729.77</b>	<b>25,408.95</b>	<b>-12,679.18</b>	<b>-49.9%</b>

**South Padre Island Birding and Nature Center**  
**Monthly Directors Report**  
**September 5 – October 16, 2017**

**Visitors:**

Paid entrances (kiosk):1,043

Revenue generated: \$5,457

Paid entrances (Gift Shop):925

Revenue generated: \$4,683

Annual Pass Holder Admissions: 18

Annual Passes sold:\$290.00

Complimentary Day: 2

*Ramada: 6*

*Hilton Garden Inn: 0*

*The Inn at South Padre: 18*

*Super 8:0*

**Volunteers:**

Number of active volunteers: 25

New Volunteers needed: Habitat Maintenance, Info desk

Total volunteer hours: 224 at the information desk.

*Interns: 8*

*Guides: 14*

*Phillip: 60*

**Maintenance:**

Expense over monthly budget: *No Monthly Budget, Yearly Budget is \$8,000.00*

Notes: Receipts Total for Building: \$585.90

Receipt totals for Habitat/Grounds: \$425.16

**Gift Shop:**

Total revenue for month: \$3,913.85

Inventory assessment: \$43,746.00

Projected inventory needed:NONE

**Rental/Event Booking:**

Wedding for 200 Wednesday, September 27.

Rehearsal Dinner for 120 on Friday, September 29

Wedding for 80 Sunday, October 1

Sandcastle Ball Wednesday, October 4 for 150

Emergency Training on 10/5

Wedding phone calls and emails 10

Upcoming Events: Hallo-Wings Gala 10/27 and Monarch Day 10/28

Jim Foster Photo Workshop Saturday & Sunday, December 3 & 4

Pet Photos with Santa (with Friends of Animal Rescue Saturday, December 9

Photo Contest Calendar currently being printed

Open House on Saturday, September 23

Programming: Working on WOWE

Bird walks Monday, Tuesday, Wednesday Friday 9:30-11am.

Butterfly Walk Wednesday at 10:30

Marketing/Advertising:

Sold 100 adult, 50 children passes to Lacopa and re-stocked rack cards for their guest rooms

Ads: Website link for Valley Wedding Pages – FALL/Winter ad

Daily, Weekly posts on Facebook, Instagram and Twitter

Outreach/Contacts:

November 2 Welcome Home RGV Connection Fair in McAllen

RGV Birding Festival November 9-12 in Harlingen

Grants: None

Other: dropped off case of rack cards to The Inn at South Padre. Distributed fliers for open house and monarch days to hotels

Donations received from:

Ann Arbor Area Community Foundation- Vogel Family Fund ( Jim and Margie Hopper)

\$500.00 for general operating support.

**RED TIDE**

**September 2016 Grand Totals**

<i>Number of Visitors</i>	<i>2,285</i>
Admissions	\$9,415.00
Donations	\$124.00
Donation Jar	\$716.00
Outside Donation Box	\$43.00
Facility Rental	\$0
Parking	\$0
Gift Shop	\$3,325.45
Special Events	\$0
Binocular Rental	\$60.00
<b>Total Sales</b>	<b>\$13,683.45</b>

**Hurricane Harvey**

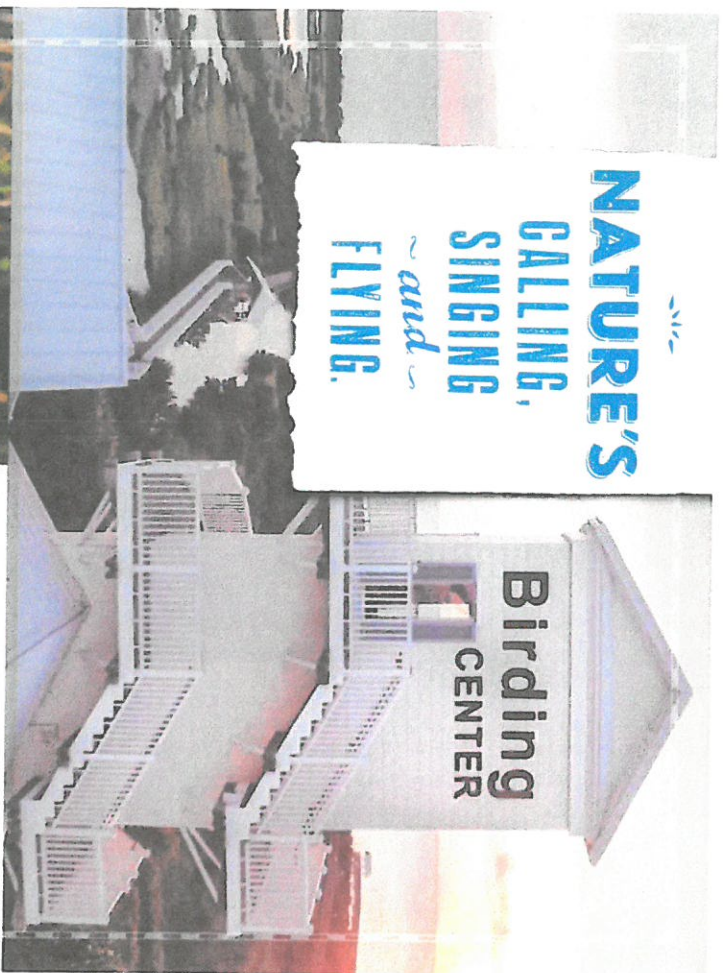
**September 2017 Grand Totals**

<i>Number of Visitors</i>	<i>2,909</i>
Admissions	\$11,826.00
Donations (Habitat)	\$45.00
Wish Fish List	\$0
Donation Jar	\$550.70
Outside Donation Box	\$26.00
Facility Rental	\$4,000.00
Parking	\$0
Gift Shop	\$3,913.85
Special Events	\$960.00 (10/27/17)
Binocular Rental	\$216.00
<b>Total Sales</b>	<b>\$21,537.55</b>

I have added the number of visitors attending events, free days and pass holders to the final visitor numbers.

NATURE'S  
CALLING,  
SINGING  
and  
FLYING.

Birding  
CENTER



When you visit The South Padre Island Birding and Nature Center, you're able to discover hundreds of rare coastal birds, butterflies and natural wildlife instantly. Find out more info at [sopadre.com](http://sopadre.com).



South Padre  
ISLAND  
Make it yours.

451 species and counting...  
Come Bird the  
**BIG BEND**

Lesser Sandpiper

Plan Your Adventure Today!  
[VISITBIGBEND.COM](http://VISITBIGBEND.COM)



## Handmade Bird Calls

Among the most accurate bird-calls, developed, designed, and made by Françoise Morel, in France, from such materials as beech, maple, leather, brass, rubber, and tin, since he was a child in the mountains of southern France. Each piece is a statement on craft with integrity! Not intended for children, hunters, or those that disturb nesting birds. As the company representative for the call, Opale can help, clearly state: "We retain the right to refuse to supply people who cannot fully guarantee their respect for nature."

American Bird Section  
In a nicely made wooden box, come six bird-calls for birds found in this country:  
*Nyctanops, Mallard Duck, Sparrow, Owl, Mourning Dove, and American Kestrel.* Each opportunity made and tuned. There tin, but please take care! Use Coupon Code: Long-see for 10% off on our order!  
QBA6 \$149.95



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February 15-18,  
2018

...Kennoters...  
Stephen Shunk  
Maese Peterson  
Kevin McGowan

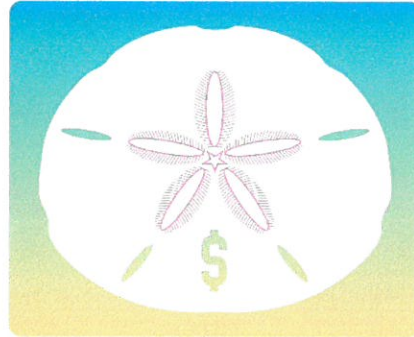
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Winter  
Wings  
Festival

Hannah Falls, Oregon  
[www.WinterWingsFestival.org](http://www.WinterWingsFestival.org)  
1-877-54-BIRD (2278)



**8.**

**DRAFT**



# *Sand Dollars for Success*

**A SOUTH PADRE ISLAND EDC INITIATIVE**

**OFFICIAL PROCEDURES AND GUIDELINES**

**2017-18**

***SAND DOLLARS FOR SUCCESS: A SOUTH PADRE ISLAND EDC INITIATIVE 2017-18***

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**SAND DOLLARS FOR SUCCESS: A SOUTH PADRE ISLAND EDC INITIATIVE 2017-18**

**IMPORTANT DATES**

January 8, 2018 (Monday)	Application period begins
January 29, 2018 (Monday)	Deadline to submit intent to compete form via email
February 5, 2018 (Monday)	Announcement of qualifying competitors via email
February 15, 2018 (Thursday)	Session 1 "Business Idea Development & Research" Time: 5:30 p.m.-8:30 p.m. Location: SPI Birding and Nature Center 6801 Padre Blvd. South Padre Island, TX 78597
February 22, 2018 (Thursday)	Session 2 "Market Discovery & Cost Calculation" Time: 5:30 p.m.-8:30 p.m. Location: SPI Birding and Nature Center 6801 Padre Blvd. South Padre Island, TX 78597
March 1, 2018 (Thursday)	Session 3 "Marketable Business Ideas" Time: 5:30 p.m.-8:30 p.m. Location: SPI Birding and Nature Center 6801 Padre Blvd. South Padre Island, TX 78597
April 23, 2018 (Monday)	5 p.m. CST deadline to submit full business plans
May 1, 2018 (Tuesday)*	Project Presentations
May 15, 2018 (Tuesday)*	Award(s) Ceremony

\*Subject to change

## ***SAND DOLLARS FOR SUCCESS: A SOUTH PADRE ISLAND EDC INITIATIVE 2017-18***

### **The Spirit of Sand Dollars for Success**

Sand Dollars for Success is a project funded by the South Padre Island Economic Development Corporation.

Sand Dollars for Success was created by the South Padre Island EDC in order to promote business retention, and encourage entrepreneurs through the creation of new businesses in the City of South Padre Island. The goal of the Sand Dollars for Success program is to allow the participants to gain a better understanding of how to develop and follow a realistic business plan within the economic climate of South Padre Island. Forums will be provided through small business classes to assist the participants in developing their skills, raising the possibility of success and provide tools for presenting their business plans.

A maximum of \$25,000 can be awarded. Qualifying participants can request a share of the \$25,000 in capital funding grants as long as it stays within the business, and is justified by the business plan. Participants must show in their business plan the expected increase in sales tax to the economy, and/or the creation or retention of a full-time job.

### **Venture and Team Eligibility Rules**

**Participants.** The project is, or will be created, managed, and owned by a business on South Padre Island. The participants must play a major role in conceiving, managing, and significant equity in the business. A member of the team should be the CEO, President, or Owner of the business venture, and members of the team should have equity in the business and occupy 50% or more of the functional area management positions that report directly to the CEO, President, or Owner.

**Team Composition.** The maximum number of members on a team is three (3); although there is no restriction on the total size of the business venture's founding team.

**Nature of Ventures.** The project is for new or existing businesses. The project must be from a qualifying business located in the City of South Padre Island, bringing new money into the local economy, and seeking outside equity capital in addition to the project awards.

**Prior Activity.** Businesses can reapply in the future if not selected. A project can only be funded once.

## **SAND DOLLARS FOR SUCCESS: A SOUTH PADRE ISLAND EDC INITIATIVE 2017-18**

### **Confidentiality and Intellectual Property Guidelines**

- The authors of the business plan will retain all rights to the plan regarding its use at all times prior to and following the project except as stated below. Due to the nature of the Sand Dollars for Success program, we will not ask judges, reviewers, or staff to agree to or sign non-disclosure statements for any participant
- All public sessions of Sand Dollars for Success, included but not limited to oral presentations and question/answer sessions, are open to the public at large. Any and all of these sessions may be broadcast to interested persons through media which may include public radio, television, and the internet. Any data or information discussed or divulged in public sessions by participants should be considered information that will likely enter the public realm, and entrants should not assume any right of confidentiality in any data or information discussed or presented in these sessions. Financial statement details will not be included in the oral presentations discussion. However, the judges can ask the team members general financial questions.
- The South Padre Island Economic Development Corporation, the organizers of the Sand Dollars for Success program, may make photocopies, videotapes, and/or audio tapes of the presentations including the business plan and other documents, charts, or material prepared for use in presentations. Participants retain all proprietary rights

### **Business Plan Process**

#### Phase 1 – Intent to Compete

- All participants must fill out an *Intent to Compete Form* which is available online at [www.southpadreislandedc.com/compete-form/](http://www.southpadreislandedc.com/compete-form/)
- This form should include a brief description of the nature and purpose of the business
- Description should not exceed 500 words
- This form will be used to identify qualifying applicants

#### Phase 2 – Formats

- Once the business or proposed business has qualified, the formats below must be followed in order to continue to the next step in the process. The format guidelines will be strictly enforced
- Plans must be limited to 30 pages (typed and double-spaced, #12 font, and 1 inch margins) of text, including the executive summary and summary financial data. Detailed spreadsheets and appropriate appendices may follow the text portion of the plan but will be limited to 10 pages maximum. In total, the plan must not exceed 40 pages
- Financial data should include a cash flow statement, income statement, and balance sheet. Include an explanation of the offering to investors indicating how much money is required, how it will be used, and the business structure (i.e. stocks, debentures, etc.) The team is not required to reveal its desired deal, although the judges may ask questions about it. Also, delineate possible exit strategies
- Appendices should be included only when they support findings, statements and observations in the plan. The text portion of the plan (30 pages max) must contain all pertinent information in a clear and concise manner

## **SAND DOLLARS FOR SUCCESS: A SOUTH PADRE ISLAND EDC INITIATIVE 2017-18**

- Eight (8) hard copies, as well as one (1) electronic copy of the final plan are due to the South Padre Island Economic Development Corporation office on or before 5 p.m. CST on **April 23, 2018**. Teams not meeting this deadline will be disqualified. For ease in handling, all hard copies of business plans should be professionally bound. Three-ring binders are not acceptable. Seven (7) copies will be distributed to the judges. Plans can be returned to the teams with possible comments included. One copy will be retained by the South Padre Island EDC office

### Phase 3 – Written Plan Evaluation Criteria

- Judges will use the *Business Plan Evaluation Form- Written Plan* to assess the written portion of the business plan. This section is worth a total of 60 points
- The Business Plan Evaluation Form consists of six parts; Part 1 - Market Opportunity, Part 2 - Distinctive Competence, Part 3 - Management Capability, Part 4 - Financial Understanding, Part 5 - Investment Potential, and Part 6 – Innovation

### Phase 4 – Presentation Guidelines and Evaluation Form

- The judges will use the *Business Plan – Oral Presentation Evaluation Form* to assess the oral presentation portion of the business plan. This section is worth a total of 40 points
- Each team will be given 15 minutes to present its business plan followed by a question and answer session between the presenting team and the judges

## **Awards**

- The Sand Dollars for Success winners must score a minimum of 80/100 points in order to be awarded the funds. If the business does not yield a score of at least 80 points, no awards may be given
- The businesses must start or have their operations located in the City of South Padre Island
- The businesses must use the funds within one year from the date of receiving the funds
- The businesses must provide the South Padre Island EDC with a report on the results of the project within one year from receiving the funds. Included in the report are measures of success

**FOR MORE INFORMATION PLEASE CONTACT THE SOUTH PADRE ISLAND EDC**

[southpadreislandedc@gmail.com](mailto:southpadreislandedc@gmail.com) 956-761-6805

6801 PADRE BLVD., SOUTH PADRE ISLAND, TX 78597

[www.southpadreislandedc.com](http://www.southpadreislandedc.com)



*Sand Dollars  
for Success*

**Business Plan Evaluation Form  
Written Plan**

Judge's Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

Please evaluate the oral presentation of the business plan based on the following criteria:

<b>(60 points – 10 points per section)</b>	<b>Poor (1-2)</b>	<b>Fair (3-4)</b>	<b>Adequate (5-6)</b>	<b>Good (7-8)</b>	<b>Excellent (9-10)</b>
1. <b>Market Opportunity:</b> there is a clear market need presented as well as a way to take advantage of that need					
2. <b>Distinctive Competence:</b> the company provides something novel/unique/ special that gives it a competitive advantage in this market.					
3. <b>Management Capability:</b> this team can effectively develop this company and handle the risks associated with this venture.					
4. <b>Financial Understanding:</b> the team has a solid understanding of the financial requirements of the business.					
5. <b>Investment Potential:</b> the business represents a real investment opportunity.					
6. <b>Innovation:</b> the team has developed a truly innovation solution to an existing or emerging problem.					

**COMMENTS/QUESTIONS:**

**Total  
Points:**



**Business Plan Evaluation Form  
Oral Presentation (Finals Event)**

Judge's Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

Please evaluate the oral presentation of the business plan based on the following criteria:

<b>Presentation (40 points – 10 points per section)</b>	<b>Poor (1-2)</b>	<b>Fair (3-4)</b>	<b>Adequate (5-6)</b>	<b>Good (7-8)</b>	<b>Excellent (9-10)</b>
1. Materials presented in clear, concise and logical manner.					
2. Presenter(s) conveyed confidence, enthusiasm, professionalism, and stayed within the time frame.					
3. Presenter(s) were responsive to judges questions and answered them adequately.					
4. Visual aids were attractive, relevant, and professional.					

**COMMENTS/QUESTIONS:**

**Total  
Points:**

UTRGV Small Business Development Center  
~ A Business Training Series for Startups ~

## Expanded Course Syllabus

### Session I: Business Idea Development & Research

*Description: This three-hour session guides participants through a thoughtful process of developing and researching their business idea. It includes the following exercises:*

- ❖ Business Elevator Pitch (10 minutes) - Attendees communicate their business and business' value proposition in 60 seconds or less: Who you are; how does your product work; for who; the benefits; how it's different; how big the market is; how you will market it; what you need; how you will use it; how you will be profitable and by when; why you are the right team; and the call to action.
- ❖ The Need for the Business in the Local Market (15 minutes) – Attendees identify the issue/problem the business addresses/satisfies; uses statistics, data, number, examples, etc., to show the need/demand for the business regarding this need.
- ❖ Business Offering (15 minutes) – Attendees describe what solution the business idea/concept offers. What is the impact? What makes you different from what is already being done by competitors or substitutes? What does your business do better?
- ❖ Identify Potential Markets and Market Segments (30 minutes) – Tree with Branches exercise: Using the tree branches, identify and name possible markets where the business product/service can be used. If needed, the branch can have smaller branches extending from it to highlight smaller niche markets.
- ❖ Quantify your Market (Branch with Leaves exercise) (30 minutes) – Attendees choose the market (tree branch) which is most feasible and viable. This branch should be the one which your business can make the highest impact, most effectively and/or in the shortest period of time. Leaves representation: 1) Include the targeted market's potential clients (demographics), the targeted area (city, county, metropolitan area), and the population; 2) Potential clients and decision makers: based on your business idea, identify individuals who are willing and able to buy your product/service OR who can make the decision to purchase; 3) What is the benefit/offering to the potential clients? What benefits do you offer? 4) What's the fit: describe how compatible your business idea/concept is with what your potential clients already do. What special skills/training will they need, if any? Do they need to change/implement/purchase something new in order to integrate your offering?
- ❖ Research Resources (PowerPoint presentation) (45 minutes)

## Session II: Market Discovery & Cost Calculation

*Description: This three-hour session guides participants through a discovery process of identifying their target markets and the costs associated with operating their businesses. It includes the following exploration questions, using handouts to record responses:*

- ❖ Operations – Attendees answer the following questions:
  - How do you carry out your business operations? If you have a physical location/or not, how does that work for you?
  - Describe your operating facility. What specific equipment/tools do you need to carry out your operation?
  - What employees will you hire and what special needs/skills do they need to have to allow you to carry out your operations?
- ❖ Competitors: Attendees identify direct and indirect/substitute's competitors.
  - Direct competitors: identify those who do the same thing you do.
  - Indirect competitors: identify those who serve the needs or wants of your target market with a similar but not identical way. For instance, a tea shop is an indirect competitor of a coffee shop.
- ❖ Marketing and Sales – Attendees think about their market; demographics; etc, and their product/service while considering the following:
  - Is seasonality part of your business?
  - How much are they willing and able to pay?
  - What is your pricing for your products/services offered? And how does this tie back to your image?
  - What is your cost to sell your items?
  - How are you going to get your product to your clients?
  - How will you get your product/service known? How does your target market like to be advertised to?
- ❖ Team and Skillset – Attendees assess the following:
  - Who is the team?
  - Who are the owners?
    - What is their relevant background (education and experience)
    - What do they contribute to the business?
    - What will their duties be with in the business?
  - Who are key employees?
    - What skills are needed?
    - What do they bring to the table?
  - What other resources do you have?
    - Mentors
    - Consultants
    - Associations
- ❖ Growth Planning – Attendees consider the future of their businesses and answer the following questions:
  - What is your business growth plan?
  - What is your Total Project Cost? (Use handout)
  - What do you need to get the business to the next level?
  - Describe what you have already invested/or will invest.
  - Describe what you need to be financed.
  - What is the expected outcome/result?

### Session III: Marketable Business Ideas

*Description: This three-hour session guides participants through a financial-forecasting process for their business ideas, focusing on the Profit/Loss Statement.*

- ❖ Financial Forecast Tool – Attendees use a handout to answer the following questions:
  - Based on your business capacity, predict possible sales, quantity of sales, seasonality, etc.
  - What is your cost to make these sales?
  - What are your monthly operating expenses?
  - What is the budget (“projections”) for next fiscal year?
- ❖ Sales and Promotion – Attendees practice “Selling Others on the Business Idea” through the following exercise:
  - Deliver a stronger pitch!
    - Communicate your business’ value proposition in 60 seconds or less. Include: Who are you? How does your product work? For who does it work? What are the benefits? How is it different? How big is the market? How will you market it? Why do you need it? How will you use it? How will you be profitable and by when? Who is part of your team and why are you the right team to get it done? The call to action!
  - Commitment to growth – Attendees share what they have identified as successful growth.

### Bonus Sessions

*The two-hour sessions below are designed for businesses that want to fine-tune their customer-service delivery and expand their reach through digital marketing.*

- ❖ Customer Service Plus! – Attendees learn why customer service is so important to the success of their businesses in this session, as well as how to meet customer expectations, satisfy their needs, and become powerful problem-solvers.
- ❖ Social Media Basics for Small Businesses – Attendees learn that social media is a part of the business marketing strategy in this session. An overview of popular social media tools, including Facebook and Twitter, and their application is also discussed.

### Additional Services

*Business training attendees can access one-to-one, confidential business advisement for their businesses. Business advisement is free, available by appointment, and can address business-specific issues, such as compliance, HR, and seasonality challenges, among other areas.*

**9.**

Goal	Strategy	Short/Mid/Long Term Goal	Champion	Measured By	Status
<p><b>To Sustain and Increase Business Including Educational Opportunities</b></p>	<p>1. Continue support for current programs including Sand Dollars, Kauffman, Façade Grant, Low Interest Loans, etc.</p>	Short Term	Mickey-Sand Dollars, In-Kauffman, Dan-Façade Improvement	Employment Rate Business and Tax Growth Attendance at Training	<p>Kauffman class planning underway, applications for Façade Improvement have been distributed and one has been received Kauffman classes began on September 14th and end on November 16th. Liams re-submitted an application for the Façade Grant and the façade committee will meet to review. Developed the guidelines for the 2017-18 Sand Dollars program and met with Mickey on 9/27 to go over. Will place on the October Board meeting for approval. Will be doing a Gantt chart for the Sand Dollars program. Met with Dan on 10/13 to discuss Façade Improvement Grant Program. Liam's revised application did not comply with program guidelines. Discussing grant with Dry Cleaners coming in 2018. Met with Padre Island Brewing Co and Ship Shape on their applications. Contacted 4 general contractors to get bids for Brew Pub.</p>
	2. Research how to utilize the SBDC	Short Term	Ron		<p>SBDC used for Sand Dollars and Chamber classes. Scheduled a meeting with representatives from UTRGV SBDC and Ron for 10/26. Going to prepare an agenda for this meeting to discuss various areas of the strategic plan where they might be of assistance</p>
	3. Look at training resources from national vendors (Sysco)	Short Term	Bob		<p>Discussed with Bob at our meeting on 10/13 to partner with the Chamber and work with SYSCO on bringing the class to the Island businesses after the holidays in January or February. I have had one meeting with the Chamber and they are on board.</p>
	4. Initiate a Business Mentoring Program	Mid Term	Susan		<p>Research entrepreneurship mentoring- short term and 1 year positions</p>
	5. Create "How to do Business on SPI" feature on website	Short Term	Jerry		<p>Called Jerry but no voicemail so sent him an email to get together to discuss. Will contact TML about a seminar being held in November regarding this topic to see if a transcript is available since I have a conflict.</p>

**Take Strategic Actions to Actively Recruit New Businesses That Result in a Stronger Business Environment**

	1. Investigate obtaining ESRI reports to analyze the marketplace	Short Term	Darla L.	New Openings	COMPLETE Received licensing agreement for ESRI Business Analyst cost \$1295 annually
<p><b>Take Strategic Actions to Actively Recruit New Businesses That Result in a Stronger Business Environment</b></p>					<p>Provided Mickey a copy on 9/27 and discussed retail gap analysis. At meeting with Irv 10/4 discussed investigating ESRI reports to analyze our marketplace. Spoke to ESRI and they do not have a product to tap into the visitor segment. I will ask the CVB consultant Berkley Young if they have thoughts. Will look at other resort communities ESRI retail marketplace to identify possible businesses to recruit. Port Aransas, Galveston, Rockport, Panama City Beach, Marco Island, Estes Park, Silverton, Telluride, San Juan Islands WA . Adding Irv as a licensed user to ESRI to assist in the analysis. Other sources will be investigated to help with the retail gap analysis including UTRGV Entrepreneurship Center, SBDC and Malki. Conduct new surveys of what property owners and residents might suggest for new businesses. Periodically conduct online surveys w/special targeting to hotel owners, property mgt companies that lease to visitors and residential properties. Meeting with UTRGV at their facility in Brownville on 10/25</p>
	2. Conduct Retail Gap Analysis	Short Term	Irv/Mickey	Hits on Website	<p>Met with Bob on 10/13 to discuss website and suggesting steering more to visit with online surveys and apply for all programs on the website. Also discuss updating available properties for lease. Meeting with Irv he suggested I meet with the UTRGV Kauffman instructors regarding developing broader uses of the EDC website to more effectively link users to SPI business. Meeting with them on 10/25. Contacted the web service provider for assessing metrics of the site and examples of how other communities use the website and social media more effectively. Waiting for his response. Initiate more social media, blog, feature businesses. Look into hiring an intern to assist.</p>
	3. Enhance online presence	Short Term	Bob	Track Leads	

4. Develop strategic approach for recruiting businesses	Short Term	Susan	Sales Tax (by Sector)	REVIEW INFORMATION AND SEE WHAT OTHER communities use. Schedule a meeting with Retail Coach. Business survey in retail gap analysis will be used here
<b>Enhance and Grow Entrepreneurship</b>	1. Look at shared workplace 2. Assist City in DMAIC bandwidth 3. Tie into regional incubators and business centers and develop local programming 4. Address seasonality issue with CVB 5. Look at free shuttle directly to the Island from airport 6. Mentoring/Networking	Mickey/Jerry Ron Irv Jerry	Sales Tax People seeking programs/classes	Discussed shared workplace with Mickey on 9/27. I will research other communities who have this as a resource. I suggested the Birding Center conference room as one option. Meeting with Kauffman instructors to discuss 10/25. Discussing this in the DMAIC for the Visitors Center Meeting with Kauffman instructors 10/25 at their Brownsville facility. Visit Mission EDC facility. Susan and Irv to join in the visit to Mission. Met with Dan 10/13 to discuss shuttle and airports. Dennis Stahl and Keith are talking to Marv at VIA and meeting with airlines. Dan would like to be included in the meetings with the airlines. I am researching a Brownsville airport shuttle. Emailed Jesse with the Transit dept to start the dialogue. Harlingen shuttle has changed to Platinum co.
<b>Grow Eco-Tourism</b>	1. Assist Birding Center to build capacity to be self sustaining 2. Support CVB efforts in development of marketing and assets for eco-tourism	Susan Irv/Ron	Financial Reports Assets created	Marine Life Center Conceptual Design Plan Underway. LRGV Active Plan Involvement Second stakeholder meeting for the Design Concept has been scheduled for Nov. 6th. I will develop an agenda and be the main facilitator as requested by Susan. In meeting with Irv we discussed developing new retail businesses around the Active Plan and ecotourism. I will obtain the pdf of the complete Active Plan and review any business opportunities outlined in the study completed in 2016. Emailed Eva Garcia with the City pf Bro to send me the link to the complete Active Plan.



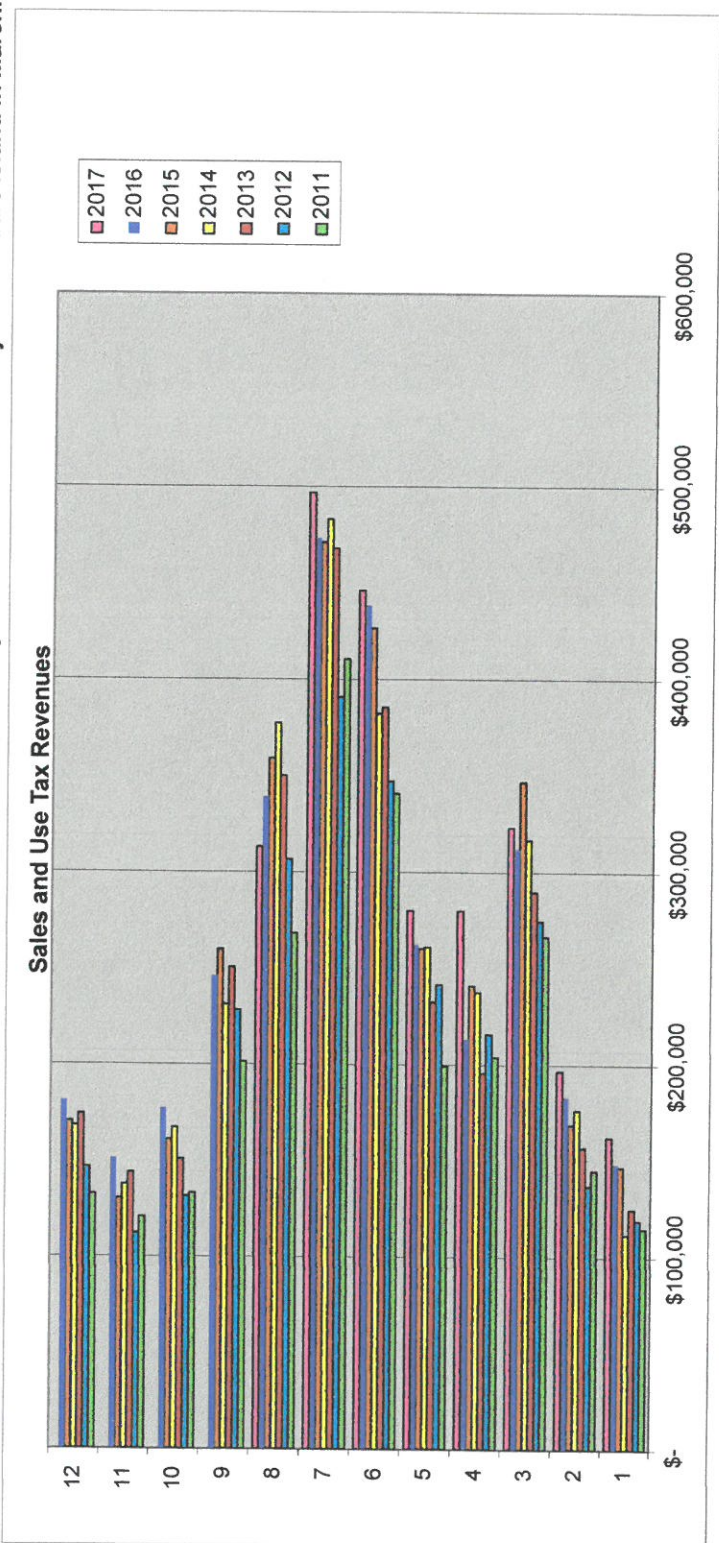
<p>As requested by the City Manager, working with the CVB, Put an email out to the Texas Downtown Association Listserve to solicit firms other communities used to develop a Wayfinding system. Received contacts on three Wayfinding firms. Was added to the Wayfinding Committee and we are meeting on 10/26</p>	
<p>3. Look for opportunities to partner on the Padre Trails System / Wayfinding Project</p>	<p>Long Term</p>
<p>4. RGV Reef - Artificial Reef Project</p>	<p>Short Term</p>
<p>School ? Summer placement, Job Shadowing, Internships, Apprenticeships, mentoring Arts and Culture?</p>	<p>Bob/Mickey</p> <p>Susan</p>

**10.**

### South Padre Island Sales and Use Tax Revenues

	2011	2012	2013	2014	2015	2016	2017	
January	\$ 114,865	\$ 119,092	\$ 124,955	\$ 111,837	\$ 147,033	\$ 148,673	\$ 162,359	9.21
February	145,004	137,090	156,927	176,331	168,939	183,246	196,705	7.34
March	266,620	274,677	289,849	316,834	346,948	311,867	323,169	3.62
April	203,962	215,913	195,868	237,624	241,179	213,305	279,898	31.22
May	199,176	241,670	232,586	261,170	260,265	262,341	280,107	6.77
June	340,811	347,206	385,570	382,481	426,572	438,459	446,128	1.75
July	410,556	390,920	467,989	483,156	471,196	473,223	496,833	4.99
August	268,233	306,588	350,038	377,267	359,029	339,074	313,046	(7.68)
September	201,328	228,185	250,437	231,042	259,809	245,959		
October	133,115	131,407	150,816	167,179	161,032	177,265		
November	120,696	112,229	143,930	137,595	130,352	151,043		
December	132,467	146,595	174,214	167,830	170,488	180,991		
<b>Total</b>	<b>\$ 2,536,833</b>	<b>\$ 2,651,572</b>	<b>\$ 2,923,179</b>	<b>\$ 3,050,346</b>	<b>\$ 3,142,842</b>	<b>\$ 3,125,446</b>		

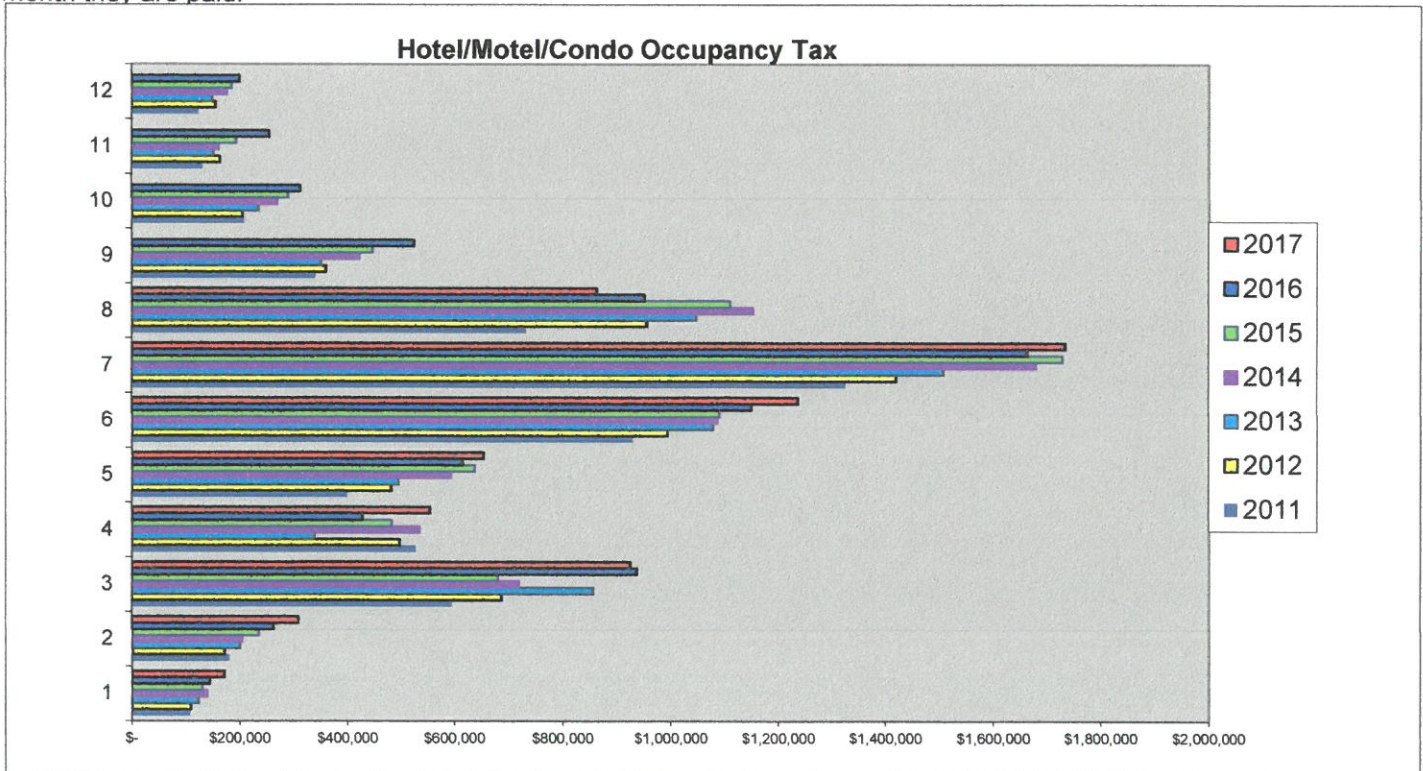
NOTE: Percentages of change March vs. April each year are principally the result of the month in which Easter falls. Amounts reported in January are based on January sales, for example, even though reported by the State and received by South Padre Island in March.



### South Padre Island Hotel/Motel/Condo Occupancy Tax

	2011	2012	2013	2014	2015	2016	2017	% change
January	\$ 109,440	\$ 109,774	\$ 123,289	\$ 140,192	\$ 130,054	\$ 144,395	\$ 171,097	18.49
February	180,476	171,451	199,626	204,078	234,729	262,332	307,996	17.41
March	595,805	687,275	855,873	718,514	680,389	936,915	925,001	(1.27)
April	528,026	497,202	338,337	535,518	482,346	428,171	554,854	29.59
May	399,279	482,275	494,883	593,135	637,343	614,276	653,664	6.41
June	929,372	994,101	1,078,509	1,086,514	1,090,245	1,149,624	1,236,747	7.58
July	1,325,927	1,420,513	1,507,657	1,679,092	1,728,733	1,662,906	1,734,025	4.28
August	731,489	955,899	1,046,929	1,153,488	1,111,051	951,521	863,129	(9.29)
September	340,030	359,467	350,530	422,559	447,169	524,272		
October	208,442	205,150	234,719	268,955	288,878	311,226		
November	131,812	163,655	152,042	161,516	193,079	254,499		
December	123,799	155,338	149,820	177,192	185,416	199,886		
<b>Total</b>	<b>\$ 5,603,897</b>	<b>\$ 6,202,100</b>	<b>\$ 6,532,214</b>	<b>\$ 7,135,926</b>	<b>\$ 7,209,432</b>	<b>\$ 7,440,023</b>		

Occupancy tax is 17% as of January 2017. 10.5% is collected by the City of South Padre Island monthly, .5% by the County, and 6% by the state of Texas quarterly. Any hotel or condo visit longer than 30 days is tax exempt. Percentages of change March vs. April are partially the result of the month in which Easter falls. The monthly occupancy tax reports from the finance office include any late payments received from properties behind in their taxes. The City reports them in the month they are paid.



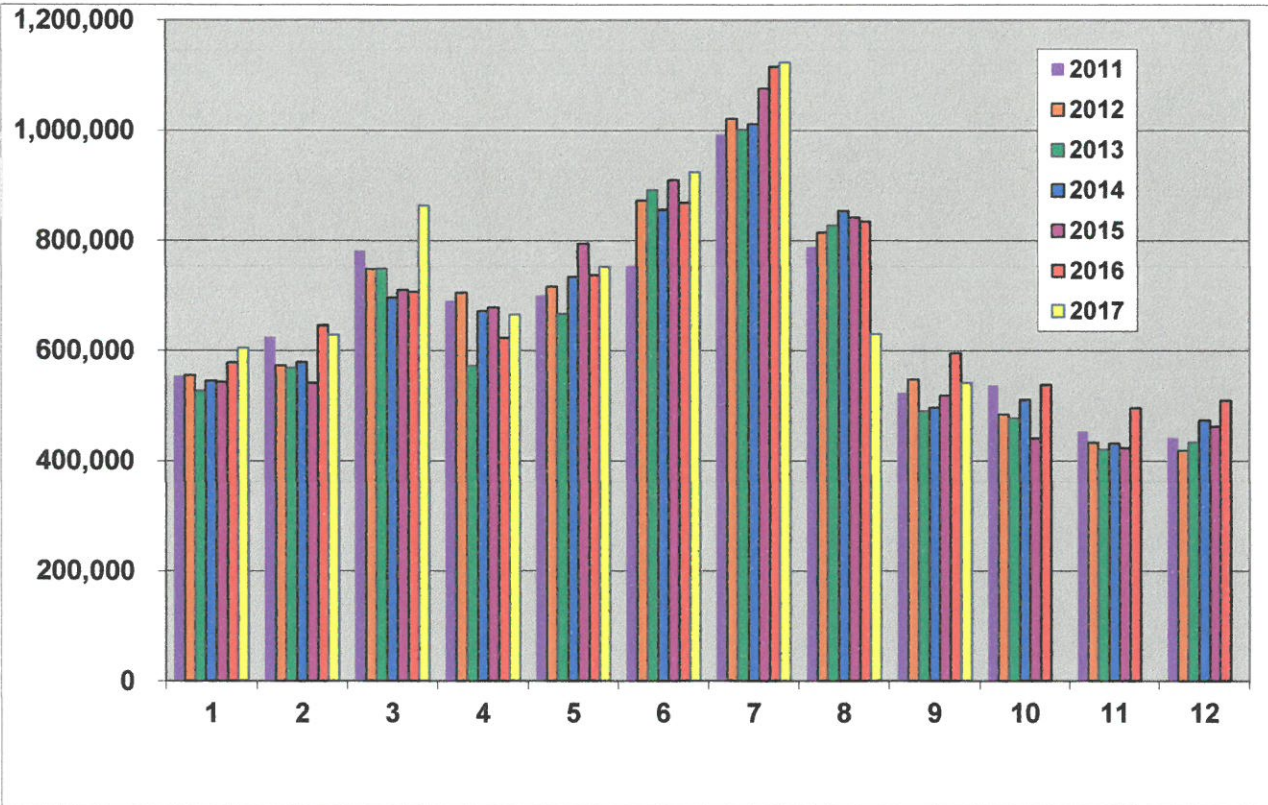
**South Padre Island Property Tax Revenue**

	2011	2012	2013	2014	2015	2016	2017
<b>January</b>	\$ 955,624	\$ 925,441	\$ 768,980	\$ 774,747	\$ 775,106	\$ 842,301	\$ 809,677
<b>February</b>	376,594	498,598	587,833	697,644	643,376	851,485	779,513
<b>March</b>	211,177	488,209	154,633	129,345	126,429	133,534	245,531
<b>April</b>	134,539	125,963	85,060	97,865	108,299	108,879	164,361
<b>May</b>	104,032	117,171	100,790	74,555	68,063	54,257	88,915
<b>June</b>	97,986	93,955	77,075	98,131	84,304	94,716	78,442
<b>July</b>	164,458	222,631	135,249	125,279	111,522	85,053	70,064
<b>August</b>	37,832	63,604	58,877	35,643	30,635	35,618	33,474
<b>September</b>	56,310	33,535	44,457	41,480	25,557	13,612	174,573
<b>October</b>	552,062	1,716,909	1,953,119	2,035,083	1,344,874	1,699,349	
<b>November</b>	1,558,168	2,287,424	1,925,829	1,828,594	2,797,154	2,639,129	
<b>December</b>	1,672,881	493,478	462,976	645,800	584,920	802,241	
<b>TOTAL</b>	\$ 5,921,663	\$ 7,066,918	\$ 6,354,878	\$ 6,584,166	\$ 6,700,239	\$ 7,360,174	
As of October 1:							
Tax rate per \$100	0.2504	0.252071	0.254384	0.262754	0.28564	0.30564	0.31564
Taxable value	\$ 2,608,645,628	\$ 2,606,119,273	\$ 2,583,563,287	\$ 2,516,386,826	\$ 2,478,519,198	\$ 2,495,811,088	

### Queen Isabella Causeway Crossings

	2011	2012	2013	2014	2015	2016	2017
January	554,144	555,677	527,334	545,412	543,812	579,339	605,351
February	625,666	574,056	569,256	579,652	541,692	646,389	628,983
March	782,262	748,551	748,868	696,713	710,372	707,409	863,694
April	690,766	705,554	572,981	672,256	678,785	623,538	666,219
May	700,093	716,717	667,396	734,145	795,443	737,676	753,130
June	754,457	873,505	891,479	856,218	909,703	869,259	924,920
July	992,948	1,021,341	1,001,516	1,011,822	1,076,391	1,115,932	1,123,915
August	789,421	815,259	827,912	854,218	841,972	835,114	630,959
September	523,495	548,774	490,324	496,630	518,886	595,754	542,362
October	537,654	484,592	477,632	510,888	440,819	538,479	
November	454,201	433,362	421,133	431,869	423,711	496,333	
December	441,842	419,185	433,917	474,396	462,722	510,103	
<b>Total</b>	<b>7,846,949</b>	<b>7,896,573</b>	<b>7,629,748</b>	<b>7,864,219</b>	<b>7,944,308</b>	<b>8,255,325</b>	

Source: Texas Department of Transportation as of 9/15/17 There is a 3 month lag for data from TxDOT



### South Padre Island Building Permit Valuations

	2011	2012	2013	2014	2015	2016	2017	Commercial	Residential
January	\$ 243,630	\$ 552,718	\$ 703,791	\$ 434,335	\$ 4,490,817	\$ 2,620,888	\$ 1,800,672	\$ 170,000	\$ 1,630,672
February	423,259	1,968,904	330,425	2,117,014	1,887,739	1,675,855	5,039,127	4,525,827	513,300
March	627,539	449,800	1,016,164	271,651	2,319,135	3,840,221	292,310	7,000	285,310
April	12,105,395	268,337	554,688	412,515	8,676,090	816,823	683,307	118,660	564,647
May	1,009,344	915,996	295,625	1,052,261	1,143,022	1,227,546	1,478,355	635,169	843,186
June	1,821,047	1,243,528	177,150	1,717,942	842,403	595,320	1,318,655	981,650	337,005
July	5,411,225	412,100	145,069	160,664	1,439,706	1,236,569	40,748,569	60,010	40,688,559
August	899,292	459,314	2,525,727	500,475	1,799,928	1,973,961	1,431,102	818,127	612,975
September	192,228	373,975	692,401	894,061	1,205,667	3,132,869	392,210	234,750	157,460
October	280,511	950,100	885,901	2,322,681	792,963	963,435			
November	8,549,789	2,022,260	1,103,873	1,975,292	2,008,807	1,028,228			
December	1,093,434	773,540	162,116	1,894,849	2,855,683	582,797			
<b>Total</b>	<b>\$ 32,656,693</b>	<b>\$ 10,390,572</b>	<b>\$ 8,592,930</b>	<b>\$ 13,753,740</b>	<b>\$ 29,461,960</b>	<b>\$ 19,694,512</b>			

PROJECTS: 0<sup>4</sup> -ZZZZZZZZZZ  
 APPLIED DATES: 0/00/0000 THRU 99/99/9999  
 ISSUED DATES: 9/01/2017 THRU 9/30/2017 USE SEGMENT DATES  
 EXPIRE DATES: 0/00/0000 THRU 99/99/9999  
 STATUS: ALL

*September 2017  
 Building Projects*

PROJECT SEGMENT	ISSUE DATE SEGMENT DT	NAME DESCRIPTION	LOCATION BUILDING CODE	CONTRACTOR SEG. CONT.	DESCRIPTION VALUATION	PROJ TYPE FEE
20170968 ✓ BLDR-REP	9/01/2017 9/01/2017	MARTIN, RICHARD RESIDENTIAL REPAIR	5204 GULF BLVD BLDR-REP - RESIDENTIAL REPA	JOE VELA JOE VELA	RESIDENTIAL REPAIR 4,000.00	BLDR-REP 28.00
20170970 BLDR-REP	9/01/2017 9/01/2017	THOMPSON, JAMES RESIDENTIAL REPAIR	227 W CORA LEE BLDR-REP - RESIDENTIAL REPA	CAMACHO CAMACHO	RESIDENTIAL REPAIR 2,300.00	BLDR-REP 25.00
20170971 BLDR-REP	9/01/2017 9/01/2017	SWAIN, DAVID RESIDENTIAL REPAIR	6412 BEACH DR BLDR-REP - RESIDENTIAL REPA	DIAMOND & DIAMOND &	RESIDENTIAL REPAIR 800.00	BLDR-REP 25.00
20170979 BLDR-REP	9/06/2017 9/06/2017	KYGER, JACKIE RESIDENTIAL REPAIR	111 E HAAS 306 BLDR-REP - RESIDENTIAL REPA	JOHN RAMOS JOHN RAMOS	RESIDENTIAL REPAIR 4,500.00	BLDR-REP 31.50
20170980 BLDR-REM	9/06/2017 9/06/2017	RODRIGUEZ, NICOLAS RESIDENTIAL REMODEL	1300 GULF BLVD 102 BLDR-REM - RESIDENTIAL REMO	CACTUS CACTUS	RESIDENTIAL REMODEL 20,360.00	BLDR-REM 142.52
20170981 ROOF-RES	9/06/2017 9/06/2017	EDWARDS, TOMMY RESIDENTIAL ROOF	6101 LAGUNA CIRCLE N ROOF-RES - RESIDENTIAL ROOF	ARIZPE ARIZPE	RESIDENTIAL ROOF 5,000.00	ROOF-RES 35.00
20170994 ROOF-RES	9/11/2017 9/11/2017	WALKER, JERRY & LINDY RESIDENTIAL ROOF	5907 LAGUNA CIRCLE N ROOF-RES - RESIDENTIAL ROOF	OWEN OWEN	RESIDENTIAL ROOF 20,100.00	ROOF-RES 140.70
20170995 BLDR-REP	9/11/2017 9/11/2017	WILD WIND CONDOMINIUMS HOA RESIDENTIAL REPAIR	117 E LANTANA HOA BLDR-REP - RESIDENTIAL REPA	SHAMROCK SHAMROCK	RESIDENTIAL REPAIR 14,000.00	BLDR-REP 98.00
20170999 BLDC-REP	9/12/2017 9/12/2017	BLACKBEARD'S RESTAURANT COMMERCIAL REPAIR	103 E SATURN BLDC-REP - COMMERCIAL REPAI	ZUNIGA ZUNIGA	COMMERCIAL REPAIR 6,000.00	BLDC-REP 42.00
20171003 BLDR-REP	9/12/2017 9/12/2017	KINCHELOE, SHAUNA RESIDENTIAL REPAIR	226 W ESPERANZA BLDR-REP - RESIDENTIAL REPA	MORRIS MORRIS	RESIDENTIAL REPAIR 3,500.00	BLDR-REP 25.00
20171011 BLDR-REP	9/18/2017 9/18/2017	HENDERSON, DANNY RESIDENTIAL REPAIR	120 E CAROLYN BLDR-REP - RESIDENTIAL REPA	HENDERSON HENDERSON	RESIDENTIAL REPAIR 5,000.00	BLDR-REP 35.00
20171018 BLDC-REM	9/15/2017 9/15/2017	DALOR LTD COMMERCIAL REMODEL	1004 PADRE BLVD D1 BLDC-REM - COMMERCIAL REMOD	GAYTON GAYTON	COMMERCIAL REMODEL 800.00	BLDC-REM 25.00
20171019 BLDC-ADD	9/18/2017 9/18/2017	ORIGINS RECOVERY OF TEXAS L COMMERCIAL ADDITION	207 W ARIES BLDC-ADD - COMMERCIAL ADDIT	SHAMROCK SHAMROCK	COMMERCIAL ADDITION 115,000.00	BLDC-ADD 805.00
20171023 BLDC-REP	9/18/2017 9/18/2017	SOMERVILLE, RICHARD COMMERCIAL REPAIR	2700 PADRE BLVD BLDC-REP - COMMERCIAL REPAI	MONTANA'S MONTANA'S	COMMERCIAL REPAIR 27,000.00	BLDC-REP 189.00
20171024 BLDC-REM	9/19/2017 9/19/2017	FISHER, KELLY & JUSTINE COMMERCIAL REMODEL	5200 PADRE BLVD 102 BLDC-REM - COMMERCIAL REMOD	ROYAL RENO ROYAL RENO	COMMERCIAL REMODEL 2,000.00	BLDC-REM 25.00
20171025 BLDC-REP	9/19/2017 9/19/2017	ISLAND BAPTIST CHURCH COMMERCIAL REPAIR	107 W MEZQUITE BLDC-REP - COMMERCIAL REPAI	MOULEDOUS MOULEDOUS	COMMERCIAL REPAIR 6,000.00	BLDC-REP 0.00



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PROJECT VALUATION AND FEE REPORT

PAGE: 2

PROJECTS: J -ZZZZZZZZZZ

APPLIED DATES: 0/00/0000 THRU 99/99/9999

ISSUED DATES: 9/01/2017 THRU 9/30/2017 USE SEGMENT DATES

EXPIRE DATES: 0/00/0000 THRU 99/99/9999

STATUS: ALL

PROJECT SEGMENT	ISSUE DATE SEGMENT DT	NAME DESCRIPTION	LOCATION BUILDING CODE	CONTRACTOR SEG. CONT.	DESCRIPTION VALUATION	PROJ TYPE FEE
20171026 BLDR-REP	9/19/2017 9/19/2017	ZIMMERMAN, ABBEY RESIDENTIAL REPAIR	200A W MORNINGSIDE BLDR-REP - RESIDENTIAL REPA	ZUNIGA ZUNIGA	RESIDENTIAL REPAIR 7,200.00	BLDR-REP 50.40
20171036 ROOF-RES	9/20/2017 9/20/2017	SANNER, GARY RESIDENTIAL ROOF	130 E CAPRICORN ROOF-RES - RESIDENTIAL ROOF	E & A E & A	RESIDENTIAL ROOF 1,500.00	ROOF-RES 25.00
20171039 ROOF-COM	9/21/2017 9/21/2017	AZOULAY, YEHUDA COMMERCIAL ROOF	4708 PADRE BLVD ROOF-COM - COMMERCIAL ROOF	CAMACHO CAMACHO	COMMERCIAL ROOF 2,300.00	ROOF-COM 25.00
20171040 BLDR-REM	9/21/2017 9/21/2017	SMITH, GREGORY & KARY RESIDENTIAL REMODEL	4609B GULF BLVD BLDR-REM - RESIDENTIAL REMO	SANTOS SANTOS	RESIDENTIAL REMODEL 24,500.00	BLDR-REM 171.50
20171041 BLDR-REP	9/21/2017 9/21/2017	THREE CHARLES LLC RESIDENTIAL REPAIR	121 E OLEANDER BLDR-REP - RESIDENTIAL REPA	MUNOZ MUNOZ	RESIDENTIAL REPAIR 8,200.00	BLDR-REP 57.40
20171048 BLDC-ADD	9/22/2017 9/22/2017	SPI REDEVELOPMENT CO COMMERCIAL ADDITION	2305 LAGUNA BLVD BLDC-ADD - COMMERCIAL ADDIT	LOERA LOERA	COMMERCIAL ADDITION 55,000.00	BLDC-ADD 385.00
20171049 BLDC-ADD	9/22/2017 9/22/2017	SPI REDEVELOPMENT CORP COMMERCIAL ADDITION	200 W LING BLDC-ADD - COMMERCIAL ADDIT	LOERA LOERA	COMMERCIAL ADDITION 12,750.00	BLDC-ADD 89.25
20171052 BLDR-REP	9/25/2017 9/25/2017	OLGA, RAMON RESIDENTIAL REPAIR	5607 CIRCE CIRCLE BLDR-REP - RESIDENTIAL REPA	OLGA RAMON OLGA RAMON	RESIDENTIAL REPAIR 11,000.00	BLDR-REP 77.00
20171053 BLDC-ADD	9/25/2017 9/25/2017	SPI BRIDING CENTER COMMERCIAL ADDITION	6801 PADRE BLVD BLDC-ADD - COMMERCIAL ADDIT	SHAMROCK SHAMROCK	COMMERCIAL ADDITION 6,500.00	BLDC-ADD 0.00
20171054 BLDR-ADD	9/25/2017 9/25/2017	EHRlich, RICHARD RESIDENTIAL ADDITION	118 E MARS BLDR-ADD - RESIDENTIAL ADDI	OCTAVIO'S OCTAVIO'S	RESIDENTIAL ADDITION 15,000.00	BLDR-ADD 105.00
20171055 BLDR-REP	9/26/2017 9/26/2017	HASHASH, SUFIAN RESIDENTIAL REPAIR	5802 LAGUNA CIRCLE N BLDR-REP - RESIDENTIAL REPA	ROYAL RENO ROYAL RENO	RESIDENTIAL REPAIR 500.00	BLDR-REP 25.00
20171058 BLDR-REP	9/26/2017 9/26/2017	EXECUTIVE CONDOMINIUMS HOA RESIDENTIAL REPAIR	4608 GULF BLVD HOA BLDR-REP - RESIDENTIAL REPA	RONQUILLO RONQUILLO	RESIDENTIAL REPAIR 10,000.00	BLDR-REP 70.00
20171061 BLDC-REP	9/27/2017 9/27/2017	SOUTH PADRE GREAT WALLS LLC COMMERCIAL REPAIR	2612 GULF BLVD BLDC-REP - COMMERCIAL REPAI	KING KING	COMMERCIAL REPAIR 1,400.00	BLDC-REP 25.00
*** TOTALS ***		NUMBER OF PROJECTS: 29		VALUATION: 392,210.00	FEE: 2,777.27	

PROJECTS: 0 -ZZZZZZZZZ

APPLIED DATES: 0/00/0000 THRU 99/99/9999

ISSUED DATES: 9/01/2017 THRU 9/30/2017 USE SEGMENT DATES

EXPIRE DATES: 0/00/0000 THRU 99/99/9999

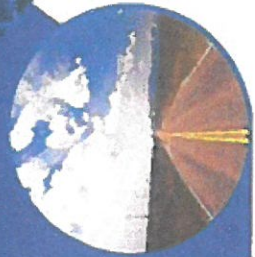
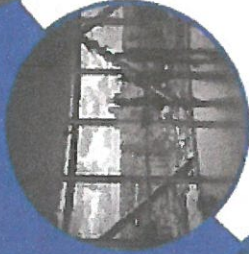
STATUS: ALL

\*\*\* BUILDING CODE RECAP \*\*\*

BUILDING CODE - DESCRIPTION	# OF PROJECTS	# OF SEGMENTS	VALUATION	FEEES
BLDC-ADD - COMMERCIAL ADDITION	4	4	189,250.00	1,279.25
BLDC-REM - COMMERCIAL REMODEL	2	2	2,800.00	50.00
BLDC-REP - COMMERCIAL REPAIR	4	4	40,400.00	256.00
BLDR-ADD - RESIDENTIAL ADDITION	1	1	15,000.00	105.00
BLDR-REM - RESIDENTIAL REMODEL	2	2	44,860.00	314.02
BLDR-REP - RESIDENTIAL REPAIR	12	12	71,000.00	547.30
ROOF-COM - COMMERCIAL ROOF	1	1	2,300.00	25.00
ROOF-RES - RESIDENTIAL ROOF	3	3	26,600.00	200.70
*** TOTALS ***	29	29	392,210.00	2,777.27

# SOUTH PADRE ISLAND CONVENTIONS & VISITORS BUREAU

Proposal for:  
Comprehensive Travel & Marketing  
Research Study



*This form is working with  
the CVB + data will  
assist EDC's efforts*

Submitted by:

**YOUNG**  
strategies, inc.

Post Office Box 38306  
Charlotte, North Carolina 28278  
704-677-4018

# Letter of Introduction

June 16, 2017

Greetings –

As President of Young Strategies, Inc., I ask the leadership team of South Padre Island Convention and Visitors Bureau to consider the enclosed proposal for a comprehensive travel and marketing research and planning project. Young Strategies was incorporated in 2004 and the leadership team has worked with over 150 destinations in 27 states. We are excited about the opportunity to become a strategic research partner for South Padre Island. We see the attached proposal as a first-year engagement leading to an ongoing partnership.

Why Young Strategies? We are...

- **Practical** – we don't over-reach. Each year we select a few destinations with whom we can form a close working relationship and produce research and plans that are respected. We are never working with more than a handful of clients at any time.
- **Reliable** – we prefer to under-promise and over-deliver. Our team is committed to client satisfaction with the reliability and actionable nature of our research. We want your leaders to look to us for reliable and believable research.
- **Engagement** – our goal is to have many leaders and travel industry partners directly involved in the research and planning process. Success is achieved when leaders and partners are engaged with the DMO team to own the research and the resulting plan. In fact, we create unique links to our online surveys and encourage your local partners to deploy the survey to their databases of visitors. We then provide your partners with unique PDF files of their survey response data at the end of the project.
- **Trust** – we work hard from the first site visit to earn the trust of community leaders. If they trust and respect us and our work, they will accept the final plan and support it's implementation.
- **Commitment** – Once retained, we will consider ourselves to be on your team and a part of South Padre Island. We are all in this together; we won't be satisfied until the research and the plan are embraced by the total team including staff, partners and leaders.

The team at Young Strategies is excited about the opportunity to work with the South Padre Island CVB team.

Sincerely,



Berkeley W Young  
President  
Young Strategies, Inc.  
704-677-4018



**YOUNG**  
strategies, inc.



# South Padre Island Convention & Visitors Bureau Comprehensive Travel and Marketing Research Study

Proposal Submitted: June 16, 2017

**RESEARCH OBJECTIVE:**

Young Strategies will provide a research-based travel market study for the South Padre Island CVB that includes:

- Identifies the current segmented markets, visitor geo/socio-demographic profile and spending levels
- Identifies the attractors/motivators that drive visitation to South Padre Island
- Identifies target/growth markets, visitor segments and strategies with the optimal ROI
- Analyzes the effectiveness of current brand and related advertising campaigns
- Develops an overall comprehensive strategic action plan
- Develops a solid, reliable annual economic impact model

**Proposal Accepted and Approved**

South Padre Island CVB

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title/Authority: \_\_\_\_\_

Contract Amount: \$ \_\_\_\_\_

Young Strategies, Inc.:

Principal: Berkeley W. Young

Signature: 

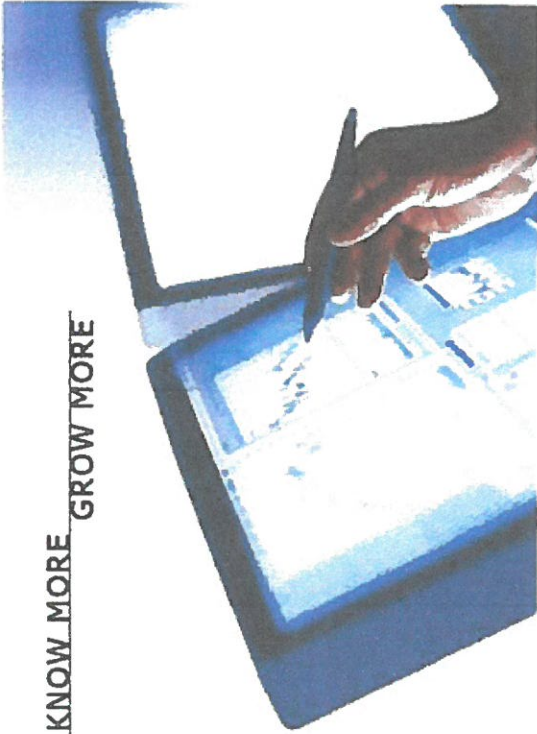
Date: 

# GENERAL PROJECT OVERVIEW

Young Strategies, Inc. (YSI), a Charlotte, NC based destination research and planning firm proposes to conduct on-going year-round surveys with travelers to South Padre Island to determine specific behavior and spending patterns throughout the year. A coastal destination like South Padre Island is likely to have the following eight unique visitor profiles and possibly more: winter long-term stays, winter short-term stays, family spring break, college spring break, spring couples, special event/festival attendees, summer vacation, fall getaways. Each of these segments will demonstrate travel party characteristics and behavior patterns. Additionally the research will provide detailed analysis of travel party behavior/spending by area within the South Padre Island destination. YSI will partner with the South Padre Island Convention and Visitors Bureau (SPICVB) staff to develop research based strategies and future visitor profile targets. Young Strategies, Inc. specializes in the development of strategic plans for destinations. Our record of success with destinations across the United States is demonstrated best by asking our clients. A list of YSI client contacts is available for the committee to verify our reputation.

- Young Strategies has worked on contract with Panama City Beach CVB (Bay County, FL) since 2011 developing annual segmented visitor profiles, special event research, marketing research and annual economic impact reports.
- The YSI team wants to work with South Padre Island leaders at the same level of partnership to deliver accuracy, reliability and success in research-based planning and promotion.

## KNOW MORE GROW MORE



The YSI research process provides you with a segmented visitor profile and overnight visitor impact analysis that leads to a smart strategic plan. That plan will identify the visitor segments that have the potential to drive the highest spending during the periods when hotels have vacant rooms available.

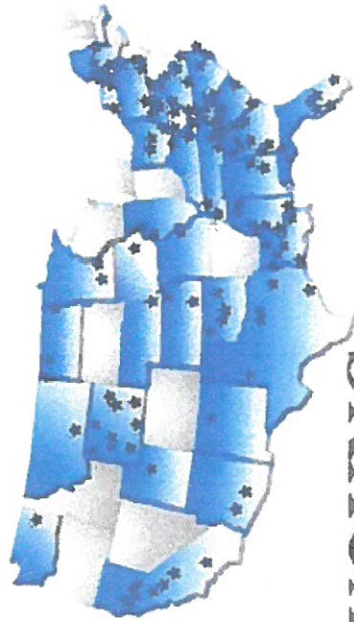
**1** The YSI survey of lodging and rental properties in South Padre Island will identify the current guest segments (conference/meeting, group tour, team sports, leisure transient, business transient, etc.) that drive room nights by percentage of total rooms sold. A detailed analysis of room supply/demand by month, week, weekday/weekend will identify the periods when the hotels need group and transient business.

**2** The segmented visitor profile survey will identify the planning, behavior and spending patterns of the same visitor segments identified in the lodging surveys. This allows the team to develop an impact model of visitor segments that leads to smart strategic planning for South Padre Island.

## ABOUT US



Young Strategies, Inc. is a research and planning firm that focuses on destination marketing organizations and travel destinations. YSI's approach is to custom tailor each research study to the specific needs of the client. The final report will be an easy to read document that presents the customer-focused data with recommendations for action. YSI is a small boutique firm that develops a close bond with our clients who are devoted to our process that delivers clear actionable strategies for future growth. Young Strategies and the members of the consulting team for this project have worked with over 100 destination marketing organizations in twenty-seven states. The project team's hands-on experience includes CVB/DMO management, hotel/resort management, community economic development, convention center management, association management and parks/recreation administration.



**YOUNG**  
strategies, inc.

## FIRM EXPERIENCE

### FIRM EXPERIENCE

#### Evidence of Qualifications

Young Strategies has an unparalleled record of success at performing for our clients to deliver actionable research and planning. We encourage you to contact our clients and see what they are saying about our performance. YSI has conducted visitor profile research and destination planning for the following destinations in 2015/1:

- Cedar Rapids, IA; Cedar Rapids Area CVB – Aaron McCreight; (319) 398-5009; amccreight@cedarrapids.com
- Syracuse, NY; Syracuse CVB – David Holder; (315) 470-1911; dholder@visitsyracuse.org
- Omaha, NE; Visit Omaha – Keith Backsen; (402) 444-4660; kbacksen@visitomaha.com
- Panama City Beach, FL; PCB CVB – Dan Rowe; (850) 233-5015; drowe@visitpanamacitybeach.com
- Dutchess County, NY; Dutchess County Tourism – Mary Kay Vrba; (845) 463-5445; mkv@dutchesstourism.com
- Ontario County, NY; Ontario County Tourism – Valerie Knoblauch; (585) 394-3915; Valerie@visitfingerlakes.com
- Tupelo, MS; Tupelo CVB – Neal McCoy; (662) 841-6521; nmccoy@tupelo.net
- Oxford, MS; Visit Oxford – Mary Kathryn Herrington; (662) 232-2791; marykathryn@oxfordcvb.com
- Cabarrus County, NC; Visit Cabarrus – Donna Carpenter; (704) 456-7961 donna@visitcabarrus.com
- Buffalo, NY; Visit Buffalo Niagara – Patrick Kaler; (716) 430-2151; Kaler@visitbuffaloniagara.com

### YOUNG STRATEGIES, INC. CLIENT STATES

The project team, both individually and collectively have conducted destination research in the following states:

Alabama	Iowa	Minnesota	Nebraska	Virginia
Arizona	Illinois	Mississippi	New York	South Dakota
California	Kansas	North Dakota	North Carolina	Tennessee
Florida	Kentucky	Pennsylvania	Oklahoma	Texas
Georgia	Louisiana	Missouri	South Carolina	West Virginia
	Massachusetts			Wyoming



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Date 9/29/17 Page 1  
Primary Account XXXXXXXXXXXXX2005  
Enclosures 1

SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT  
CORPORATION  
6801 PADRE BLVD  
SOUTH PADRE ISLAND TX 78597

### CHECKING ACCOUNTS

If you have overdrawn your account, please be advised that we have other less expensive methods to handle the payment of non-sufficient funds items. Presenting transactions and other items against non-sufficient funds is an expensive practice. If you would like to discuss alternatives which include account transfers or if you have other financial needs, please call us at 1(800)580-0322 ext. 2440.

NOW Checking Commercial		Number of Enclosures	1
Account Number	XXXXXXXXXXXX2005	Statement Dates	9/01/17 thru 10/01/17
Previous Balance	102,614.21	Days in the statement period	31
1 Deposits/Credits	1,064.59	Average Ledger	102,957.43
1 Checks/Debits	2.00	Average Collected	102,873.76
Service Charge	.00		
Interest Paid	21.13		
Current Balance	103,697.93	2017 Interest Paid	184.99

#### Deposits and Additions

Date	Description	Amount
9/22	Over The Counter Deposit	1,064.59
9/30	Interest Deposit	21.13

#### Debits and Other Withdrawals

Date	Description	Amount
9/29	Paper Statement Fee	2.00-



NOW Checking Commercial XXXXXXXXXXXXX2005 (Continued)

Daily Balance Information

Date	Balance	Date	Balance
9/01	102,614.21	9/29	103,676.80
9/22	103,678.80	9/30	103,697.93