

DEL·RIOPLAN

Chapter Seven Economic Development

The purpose of this chapter is to provide Del Rio with a framework for understanding opportunities for economic development.

A common understanding of economic development helps clarify intent and purpose. With this in mind, we encourage a definition that acknowledges the importance of collaboration and partnership. Economic development is the use of public resources to stimulate private investment. In other words, effective policy for Del Rio should be judged by how well public resources can create a response from private investors.

During recent years, Del Rio's economic situation has improved thanks to moderate, yet consistent, growth. Del Rio, however, is unlike most other Texas communities along the Mexican border in that its recent economic growth has not been dramatic. As a result of this slower economic and population expansion, the community has not suffered from the impacts of unchecked growth (i.e., traffic congestion, overburdened infrastructure and social services).

At the same time, Del Rio's economy is in need of diversification. It's location along the Mexican border has yet to yield the substantial economic returns and growth seen among other Texas communities at international crossings. For example, the community is highly dependent on payrolls from the various federal agencies (most notably the Border Patrol) as well as nearby Laughlin Air Force Base. While public sector jobs provide wage rates and benefit packages that exceed the private sector in many cases, spin-off activity that provides needed economic vitality is often limited.

Table 7.1, Major Employers

Organization	Employees
Federal Agencies	1,955
San Felipe-Del Rio CISD	1,700
Laughlin Air Force Base	4,431
Military Personnel	1,461
Civilian Employees	2,970
Wal-Mart Supercenter	475
Val Verde Regional Medical Center	450
City of Del Rio	450
Plaza del Sol Mall	395
H.E.B. Grocery	202
Texas State Agencies	222
WCC Val Verde Correctional Facility	198
Val Verde County	196
Union Pacific Railroad	150
Border Federal Credit Union	75
The Bank & Trust	74
Del Rio National Bank	62

Source: Del Rio Chamber of Commerce

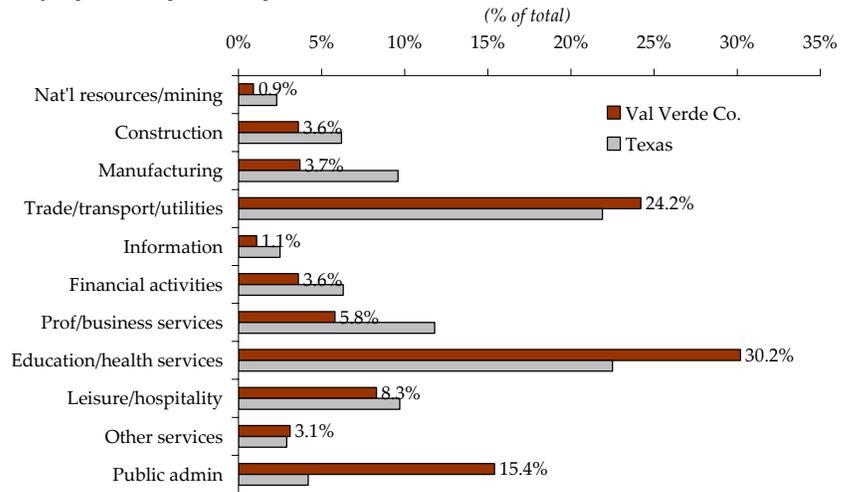
Chapter Seven
Economic Development

The area's major employer list is populated by relatively few private sector firms. For example, Del Rio's top three private employers (Wal-Mart, Plaza del Sol Mall, and HEB) are all in classified as retail trade. Other private sector companies appearing on the list are in the transportation and financial activities sector.

Demonstrated in **Figure 7.1, Exmemployment by Industry, 2004** is the respective distribution of employment for Val Verde County and the state of Texas. Locally, Public administration, Education/health services, and Trade/transportation/utilities accounts for 70 percent of all jobs. Statewide, these sectors account for half. These data also indicate the limited manufacturing base in the county, which employs only four percent of the workforce.

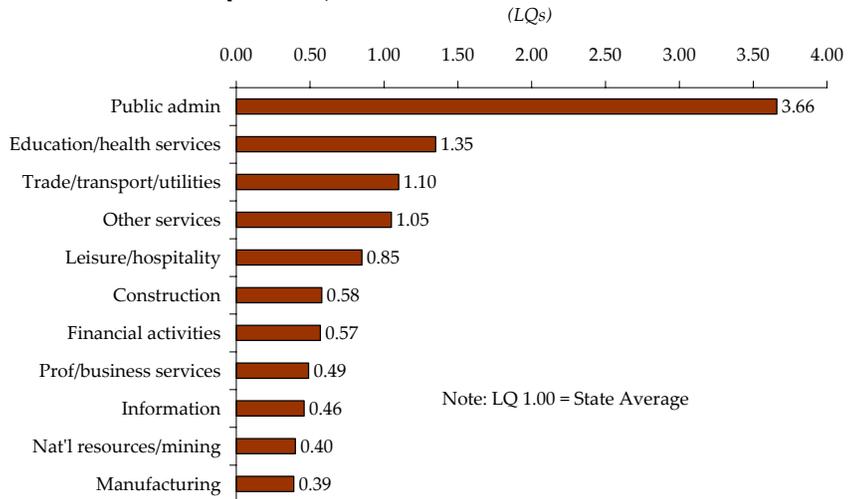
Indicated more clearly in **Figure 7.2, Val Verde Co. Location Quotients, 2004**, is Val Verde County's strong reliance on the public sector. For example, the Location Quotient (LQ) of 3.66 in Public Administration implies that three-and-a-half-times more jobs are present locally than would be expected given statewide employment levels. Manufacturing, on the other

Figure 7.1
Employment by Industry, 2004



Source: Texas Workforce Commission

Figure 7.2
Val Verde Co. Location Quotients, 2004



Sources: Texas Workforce Commission; TIP Strategies, Inc.

Location Quotients

A location quotient (LQ) is calculated as a local industry's share of total local employment divided by the same industry's share of employment at the state level. If the local industry and state industry are perfectly proportional, the location quotient will be 1.00. If an industry is heavily concentrated at the local level (e.g., automotive industry in Detroit, technology in Silicon Valley, gambling in Las Vegas), then the location quotient will be higher than 1.0. Conversely, if the industry is sparsely concentrated at the local level, the location quotient will be lower than 1.00.

Chapter Seven
Economic Development

hand, is the industry with the lowest concentration in the county. Based on the data analysis and interviews with local business leaders and other stakeholders, the consulting team conducted an economic development SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) for Del Rio. Shown in **Table 7.2, Del Rio SWOT Analysis**, is the findings of this analysis:

Table 7.2	
Del Rio SWOT Table	
Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Laughlin Air Force Base ▪ Lake Amistad ▪ Airport expansion ▪ Available and trainable workforce ▪ Proximity to Mexico ▪ Cost of living ▪ Freight rail access ▪ Strong family values in the community 	<ul style="list-style-type: none"> ▪ Limited retail options ▪ Downtown parking ▪ Lack of entrepreneurial programs & incentives ▪ Lack of employment opportunities for young, educated professionals ▪ Lack of consistent funding mechanism for economic development
Opportunities	Threats
<ul style="list-style-type: none"> ▪ Suppliers to growing Maquila industry ▪ Development of airport properties ▪ Expanded higher education ▪ Recreational & cultural tourism ▪ San Antonio & Ports-to-Plains Corridors ▪ Expansion of existing bridge capabilities ▪ Nature and eco-tourism 	<ul style="list-style-type: none"> ▪ Rio Grande water issues ▪ Continued retail leakage to San Antonio ▪ “Brain Drain” — out-migration of educated and skilled residents ▪ BRAC

The goals and recommended actions outlined in this chapter should go far, if fully implemented, in setting Del Rio on a course for long-term economic sustainability. The following recommendations were based on the consulting team’s experience working in communities across the country and applying this knowledge of economic development best practices for Del Rio. The primary goals for Del Rio’s economic development efforts should be:

1. Leverage existing business assets to diversify Del Rio’s economy and provide opportunities for long-term and sustainable employment growth in the area.
2. Improve Del Rio’s physical infrastructure and business climate to promote industrial development.
3. Establish a comprehensive workforce development and training system that includes the public schools, higher education, local employers, and other area entities.
4. Encourage increased tourism and visitor spending by strengthening and promoting existing assets and continue to build linkages between them.
5. Fully leverage the potential of Laughlin AFB to increase the economic vitality of Del Rio.
6. Alter both internal and external perceptions of Del Rio by communicating opportunities to residents and businesses alike.

Chapter Seven
Economic Development

BUSINESS RETENTION AND EXPANSION

Strategies for supporting the expansion of existing businesses and facilitating entrepreneurship should be given the highest priority. Since the majority of new jobs in any region typically come from expansions and not new locations, an existing business program should supersede outside marketing. Existing businesses are also your best marketers for the community. If the City takes care of its existing businesses, then they will be more likely to tell a positive story to their peers (customers, suppliers, and competitors), thereby enhancing opportunities for new locations. There does exist, however, unique opportunities for marketing the community for new locations. For example, since the economy of Del Rio is influenced by the maquila industry, attention should be given to opportunities for both expansions and new locations on both sides of the border.

GOAL: Leverage existing business assets to diversify Del Rio’s economy and provide opportunities for long-term and sustainable employment growth in the area.

RECOMMENDATIONS TO CONSIDER:

1. Strengthen business retention efforts. Many judge industrial recruitment as the most important aspect of economic development. However, additional opportunities for cultivating economic growth and vitality can lie closer to home. “Economic gardening” is the most overlooked—but often most important—economic development activity. In other words, ensuring the continued prosperity and survival of local employers is crucial to sustaining a healthy economy. An awareness of the needs for existing local business to remain competitive in their respective industries is a must. In other words, the City should remain vigilant and responsive to issues that affect their profitability.
 - a. Maintain an inventory of existing businesses. Having a clear understanding of the types of businesses already in the community, in addition to keeping tabs on new locations and expansions, is key to on-going economic development efforts. The City should work with the Chambers to develop an inventory of existing businesses and available properties. Publicly available business records, such as tax records, utility hookups, and ownership transfers, can be important sources for information. In addition, a more in-depth knowledge of proposed expansion on a company-by-company basis is recommended.
 - b. Conduct an employer survey on a regular basis. The City should consider the development of an annual employer survey as a means for keeping in touch with local business and documenting specific needs or concerns. The survey could be conducted as a paper survey or via the Internet. There are numerous examples of such surveys on the web (e.g., search “business retention survey” on Google). Important points to consider in the development of a survey program include:
 - i. Confine questions to things that you need to know.
 - ii. Include cover letter on official stationery stating how results will be used and benefit to respondent.
 - iii. Postage paid return envelopes improve response.
 - iv. Conduct as personal interview for key employers.

Chapter Seven
Economic Development

- c. Conduct business roundtables. The City should provide local businesses the opportunity to meet regularly with economic and community development staff. The purpose of these meetings is similar to that of the employer survey, but the face-to-face approach often stimulates discussion that a survey cannot. This could be accomplished by holding quarterly forums or in conjunction with an existing event, such as is typically offered by the Chamber.
 - d. Review incentives available for existing businesses. Incentive policies are typically directed at the recruitment of new industries. However, such policies should also be viewed in terms of how they might apply to the expansion of existing businesses. Non-cash incentives, such as “fast-track” permitting and flexible zoning, can make the difference in the bottom line cost of expansions.
 - e. Develop a “rapid response” strategy. In conjunction with local workforce groups, the City should develop a “rapid response” strategy for dealing with potential layoffs or plant closures. Under the Federal Worker Adjustment and Retraining Notification Act (WARN) of 1989, companies with 100 or more employees must notify local governments and state workforce organizations about plant closings or mass layoffs at least 60 days in advance of the event. However, at this point, it is frequently too late to do anything about it. Part of the City’s business retention program should focus on identifying “at-risk” companies and developing an aggressive intervention strategy.
 - f. Ensure that there are adequate networking opportunities for local business owners. The City should establish a regular meeting schedule, such as a quarterly business and industry meeting hosted by the Chamber, that provides local business owners the opportunity to discuss issues on a topical basis (workforce, supplier networks, startup resources). In addition, entrepreneurial companies, including retail businesses, should be actively supported in these meetings.
2. Foster small business and entrepreneurship. The City should work to foster a business climate that supports small business and fosters entrepreneurial development. Innovation and entrepreneurship contribute to a vigorous economy and are the foundation of technology growth. The City should work with its partners and the Small Business Development Center to promote the available programs and services to small businesses and entrepreneurs in the area. Priority should be given to entrepreneurial ventures that go beyond the traditional “mom & pop” operations that are the typical target of such efforts.
- a. Support and encourage entrepreneurial efforts in Del Rio. The City should work with its partners to implement innovative strategies for encouraging entrepreneurial activity and innovation. Area higher education institutions should be involved in this effort.
 - i. Create an innovation and entrepreneurship task force. This task force could be charged with addressing specific tasks, including consolidating and enhancing small business development with entrepreneurial approaches; determining the nature of, and funding for, a new program that will support an entrepreneurial training initiative; and working with the Small Business Development Center to conduct an analysis of small business opportunities in the Del Rio area that can be linked with entrepreneurial training.

Chapter Seven
Economic Development

- ii. Review existing regulations. The City should conduct a review of development regulations, ordinances and approval processes to ensure that government is being responsive to the small business community. Small business owners and representatives of relevant groups, such as the Small Business Development Center and the Chamber, should be part of this review.
 - iii. Create small business liaison. The City should consider the creation of a small business ombudsman. This position would be the primary point of contact for new and small businesses in the area and would serve as a liaison between the business community and relevant City departments and commissions.
 - iv. Ensure adequate networking opportunities. One of the best means for nurturing new businesses is to provide networking opportunities. By establishing a regular meeting schedule, hosted by the Chamber or other similarly focused organizations, business owners can discuss issues on a topical basis (workforce, supplier networks, startup resources). Opening these events up to the entire region can enhance the prospects of success. Once sufficient interest is generated, networking events could be organized by industry or issue. An active, monitored listserv can provide another means for discussions of interest to area entrepreneurs.
 - v. Involve the school district. The City should enfranchise the school system in this strategy by supporting the development of business-related curricula at the school district. The school district should be encouraged to work with local business leaders, as well as higher education institutions in the area, to develop curricula that provide broad-based IT skills and involve students in business-related issues. Examples include job shadowing, formal apprenticeships, and personal research projects with a specific business application. Benchmarking of best practices related to career preparation should be part of this measure.
3. Leverage Del Rio's Mexico connection to encourage industrial development. Without a doubt, Del Rio's greatest strength in terms of "traditional" economic development is its close proximity to Mexico in general, Ciudad Acuña in particular, and the region's maquiladora industry.
- a. Establish formal partnerships with other regional groups. Work with other organizations to strengthen both formal and informal ties with individuals and groups on the Mexican side of the border. One goal for such efforts could be the establishment of funding offices in Mexico, similar to those created by the McAllen Economic Development Corporation, to leverage connections and resources.
 - b. Focus on capturing investments by Mexican companies. International recruitment must begin by identifying Del Rio's existing assets related to potential Mexican investment. This would include companies already in the community that are foreign-owned or are export-oriented, as well as other individuals and organizations that have strong

Chapter Seven
Economic Development

international ties in the area. The results of this inventory should be used to customize Del Rio’s Mexican investment approach.

- c. Continue to work with transportation planning organizations to encourage the development of Del Rio as a primary gateway for international trade.
 - i. Continue participation in Ports-to-Plains Corridor initiative.
 - ii. Continue working with San Antonio to establish Del Rio as an alternative to congestion at the Laredo crossing.
 - iii. Consider contacting officials in other cities along the corridor from Del Rio to Oklahoma City (e.g., San Angelo, Abilene, Wichita Falls, Oklahoma City) to gauge reaction for the proposal to establish an alternative corridor for international trade from Mexico to the US Midwest.

BUSINESS INFRASTRUCTURE IMPROVEMENT

The competitive environment for business attraction makes having key infrastructure paramount to success. This means having fully-served sites for new industry, offering a competitive incentives package, and having professional staff to support the location process. While the City has certainly made important progress among each of these elements in recent years, further progress will be required for Del Rio to reach its full development potential and attain long-term economic vitality.

GOAL: Improve Del Rio’s physical infrastructure and business climate to promote industrial development.

RECOMMENDATIONS TO CONSIDER:

- 1. Strengthen Del Rio’s roadway infrastructure to support industrial development and international trade. With the construction of a new Port of Entry underway, it will be crucial for the City to properly meet infrastructure needs to support this \$25 million investment. The new Port of Entry holds the potential to be a major economic development asset for Del Rio, helping to strengthen its position as a gateway for international trade. The City long participated in the Ports-to-Plains Corridor initiative and appears to have an additional opportunity for establishing itself as an alternative transit route to San Antonio. The City should remain a lead agency in acquiring rights-of-way, road construction, as well as facilitating access to the Port of Entry. This will ensure that economic activity is maximized along this route, adding significant revenues to the City’s tax base.
 - a. Remain actively engaged in working closely with the General Services Administration (GSA), Texas Department of Transportation (TxDOT), and as well as any another relevant party, to ensure the completion of the Las Vacas/tollbooth.
 - b. Address the section of roadway from Las Vacas Road to Spur 239, also known as Aldrete Lane, which will be used as the roadway to the Federal POE Exportation Lot coming from the Industrial Park as well as coming off Spur 239.
 - c. Strongly consider closing the roadway in front of Faith Mission to expedite, facilitate, and allow the construction of the new Port of Entry. An alternate roadway from Qualia

Chapter Seven
Economic Development

Drive to Spur 239/Aldrete Lane, behind the Port of Entry exit inspection area should be considered.

- d. Continue to support the development of the outer loop.
 - e. Meet regularly with business leaders, commercial users, and other stakeholders to ensure that the City remain responsive to infrastructure needs and supportive of international trade in Del Rio.
2. Continue to support the development of the airport. Access to Del Rio has historically been its primary barrier to economic growth. Air access has helped overcome this barrier and, as a consequence, is critical to the community's continued economic vitality. Del Rio should be congratulated on the establishment of schedule air service. By all accounts , the establishment of air service to Houston has been a great success as evidenced by the recent addition of flights as well as plans for expanded service. The City should continue to seek new avenues for expansions to build on this considerable success. Two such possibilities are 1) increasing the number of flights and 2) establishing a business park adjacent to the airport.
- a. Continue to market scheduled service at the airport aggressively to local residents and businesses alike.
 - b. A key to the successful attraction and recruitment of new commercial, industrial, and warehousing/distribution companies to Del Rio will be the expansion of land that is available and suitable for such development. The amount of available space in the community's existing industrial parks is presently limited. Property owned by and adjacent to the airport would provide the sufficient acreage and expandable infrastructure to meet this growing need. If the City chooses to establish a business park many organizational, tactical and development-related facets to implementing a strategy of this magnitude will need to be considered, including:
 - i. PHASE I: This is primarily an assessment and planning phase. At this stage, the City must determine how the park will operate, where it will operate, and what tools it has at its disposal to develop the park. This will not only help to ensure its development potential, but that it has a strong influence on the types of development that will occur. The following steps should occur during this phase:
 - Define the target area. This is the first step to be undertaken by the City. The area should be defined as broadly as reasonable, but in general should be identified as the area on and surrounding the airport that is suitable for light industrial development.
 - Develop a master plan. Once the target area(s) have been defined, a master plan should be created that addresses the overall build-out strategy. Points the plan should address include:
 - Conditions survey - An inventory of the physical infrastructure must be performed. The survey should include water, sewer, gas, electric, flood plain, fire and safety codes, and telecommunications capacity.
 - Suitability assessment – An analysis of the inventoried properties to decide the best use of each.

Chapter Seven
Economic Development

- Planning and zoning review – An analysis of the current or planned zoning codes and restrictions in the targeted area.
 - Special zones and designations – Review of the overlays and designations (e.g., tax reinvestment zones, enterprise zones) that affect the target area. These special districts or zones may provide benefits or advantages to certain types of development.
 - Approval of rights of way, appropriate eminent domain, and condemnation review –Sets out a strategy for property acquisition.
 - Inventory of financial tools – A non-exhaustive list includes federal grants, bonding authority, private donations (including foundations), development agreements (with private developers), city allocations, and city infrastructure investment. There are a number of state incentive programs that should be considered for utilization, including Enterprise Zone, tax increment financing, Texas Leverage Fund, and Texas Capital Fund.
- ii. PHASE II: Once the parameters of the park and an inventory of the properties and tools have been established, the actual development portion of the strategy can begin.
- Review of land acquisition approach. The City should review its land acquisition strategy to assess the best method for property development. It must decide on a long-term approach for developing properties. Two commonly used approaches include:
 - Master developer strategy – The City acquires land, and then leases or sells land to a private developer and allows that party to develop the land according to pre-approved guidelines. In return, the developer is allowed to realize the long-term revenue streams.
 - Cooperative city-developer acquisition – A developer agrees to make an investment in a property in return for improvements to the existing physical infrastructure by the City.
 - Land assembly. The City should acquire a minimum of 50 contiguous acres in the target area.
 - Marketing plan. The City should promote the park to companies in the target industries. Opportunities related to air cargo should be explored.
3. Strengthen Del Rio’s “soft” infrastructure to support industrial development. Having a trained and professional staff committed is crucial to economic development, given the highly competitive environment for prospect recruitment within the state of Texas. Del Rio should be lauded for the gains the community has made in recent years in this regard. The community should still consider devoting additional resources for its current staff, including a new website and additional financial tools.

Chapter Seven
Economic Development

- a. Continue to commit to having a professional and trained staff separated from local political pressures to manage the City’s economic development program.
- b. Consider revamping the City’s economic development website. Recommended changes include the development a site with comprehensive information regarding Del Rio. Consideration should also be given to establishing a site with a separate domain. The new section or separate site would contain a navigation bar that includes information on location, properties, business environment, quality of life, new, links, and contact information. The redevelopment of the site should ensure that the themes/messages are coordinated with other local entities (e.g., the Chamber). See the *Image Building and Marketing Promotion* section of this Economic Development chapter for specific recommendations and actions.
- c. Consider options for increasing the level of funding committed to the economic development of Del Rio, including adopting the 4A or 4B sales tax. Without increased funding the City is placed at a disadvantage vis-à-vis its competitors, especially in terms of providing the necessary inducements for prospect recruitment.

TALENT DEVELOPMENT, RETENTION AND ATTRACTION

The issue of workforce development should be of paramount importance for increasing the economic vitality of Del Rio. Unfortunately, the San Felipe-Del Rio Independent School District was recently rated “unacceptable” by the State for the 2004-05 school year. As a result, the community leaders and parents must work with the school administrators and teachers in finding ways to improve local school performance. In addition, educational opportunities need to be developed for secondary students who do not plan to pursue a college degree. There are a number of technical training programs that would benefit the community. An example of one such program was recently initiated by Sul Ross State University-Rio Grande College, a Law Enforcement Academy that concentrates on small town and rural law enforcement in West Texas. This is definitely a step in the right direction, but much more needs to be done if the community wants to be able to offer a skilled work force for potential industry.

GOAL: Establish a comprehensive workforce development and training system that includes the public schools, higher education, local employers, and other area entities.

RECOMMENDATIONS TO CONSIDER:

1. Enhance and expand partnerships between the San Felipe-Del Rio ISD and area workforce development and training assets. The importance of a local school district to the economic sustainability to a community cannot be overstated. Without access to a skilled or trainable workforce, area businesses and industries are placed at a competitive disadvantage in the marketplace. The issue of talent in economic development is becoming increasingly important as the US economy continues its shift away from industries that employ low-skilled and low wage workers. In effect, US-based operations in these industries can no longer compete on the international playing field as labor markets in developing nations come at just a fraction of the cost for American workers. Much like other American companies, the companies located in Del Rio that will be successful are those focus on higher

Chapter Seven
Economic Development

value services and the increased use of technologies. As a result, it will be critical that renewed emphasis is placed on excellence in workforce development and training in Del Rio.

- a. Explore the potential for creating local scholarships—with support from both the public and private sectors—to be provided for local residents (i.e., college and high school students, as well as other young labor) who choose to pursue workforce and continuing education training and/or education at local higher education institutions serving Del Rio.
 - b. Explore opportunities for expanding existing college coursework credit programs, including vocational training, at the high school.
 - c. Explore opportunities for the expanded coordination of internship/apprentice programs at the high school level with area employers.
 - d. Consider the establishment an internship/apprenticeship program to aid in the transfer of vocational students to entry-level positions among existing industrial employers in the area.
2. Retain Del Rio’s homegrown talent. Del Rio is like most other smaller communities in that one of the greatest challenges it is facing is holding onto its younger, educated workers. The problem is so pervasive in rural America that it has been given the name “brain-drain.” In essence, young educated workers has become the biggest export for most of small town America. Typically, high school graduates who pursue a college education must leave their hometowns to go off to college. Del Rio is fortunate in that it can call upon local higher education institutions to delay their departure. Because of Del Rio’s relative isolation away from metropolitan areas and limited local employment opportunities for college graduates, the community still faces the problem of younger, educated workers leaving the area.
- a. Raise awareness among college students of local employment opportunities. Examples for this might include the establishment of an online database for all local career opportunities and sponsoring career fairs on campus devoted to solely local employers. In addition, strengthening the formal and informal ties between the local education and business communities should become a high priority so that instructors are more intimately aware of the needs of local employers. If this is achieved, then educators could be much more likely in identifying potential employees and assist in recruiting those students for local employers.
 - b. Continue to support the expansion of Sul Ross’s local campus. Communities that have been most successful during the last two decade are those offering access to a strong higher education system. These trends will likely continue as the American economy continues to shift toward service-oriented industries that require more highly educated workers. Increasingly, businesses are deciding on new locations or expansions based principally on access to a talented workforce. If Del Rio were successful in increasing programs and enrollment at the college level, the community would be much more likely to see greater economic development opportunities from higher wage industries.
3. Implement a talent attraction strategy by targeting former residents and retirees. The primary target audience for a marketing campaign should be persons who have ties to the area, such

Chapter Seven
Economic Development

as former residents who are starting a family and would like to be closer to home (boomerangers), former residents who are retired, and retired military personnel who trained at Laughlin and have positive memories of the area (This marketing campaign should be closely coordinated with other tourism and retiree attraction strategies). Not to be overlooked, however, is the potential to attract other retirees to Del Rio. Not only are today's retirees are much more affluent than past generations and are more likely to increase consumer and health care spending in the area, but also baby boomer retirees are anticipated to be more active community participants than in years past and to start up new business enterprises. Del Rio's recreational and natural amenities, coupled with the downtown area, are strong assets for building a talent attraction strategy.

- a. Create a database of former residents with assistance of area organizations (e.g. school district, Laughlin AFB, churches, Chambers, etc).
- b. Create marketing material and regular newsletter to inform former residents of employment and recreational opportunities as well as current events in Del Rio.
- c. Raise awareness among relevant parties (e.g., Chamber, CVB) of retiree/tourism attraction as an economic development strategy for Del Rio.
- d. Encourage retiree recruitment efforts made by the Chamber and CVB.
- e. Assess existing retiree population and the impact of demographic trends.
- f. Apply for Certified Retirement Community designation.
- g. Include recreation and retiree destination assets in all marketing materials for Del Rio.

RECREATION PROMOTION AND RETIREE ATTRACTION

Del Rio is working to benefit from the valuable opportunities surrounding Lake Amistad. The lake, recently rated the No. 1 Bass Fishing Lake in the world by ESPN, has been booked by 125 different fishing tournaments within the first two weeks of the year. Obviously, there are a number of professional fishermen who are aware of the lake, but there is an even larger pool of novices that would travel to Del Rio to enjoy the lake and its surroundings. This plan needs to identify strategies to capture the significant visitor population coming to Lake Amistad. Del Rio is also very fortunate to have an active arts community, which has organized monthly gallery walks and a number of programs for the children of Del Rio. There are also a large volume of outsiders who visit both Laughlin AFB, as well as maquiladora plants in nearby Acuña. The following provides recommendations for how the City can better capture increased attention and spending from individuals who visit the area.

GOAL: Encourage increased tourism and visitor spending by strengthening and promoting existing assets and continue to build linkages between them.

RECOMMENDATIONS TO CONSIDER:

1. Promote the development of Lake Amistad as a major tourism destination. Lake Amistad presents Del Rio with an opportunity to establish itself as a unique destination within the state. No other city in South or West Texas can boast a location in close proximity to such a large water recreation asset, especially one in a desert-like setting. The recent positive press from ESPN regarding Lake Amistad as a the top bass fishing lake in the world provides the

Chapter Seven
Economic Development

opportune moment to announce that Del Rio aspires to be a leading destination for outdoor recreation in Texas.

- a. Continue to build on the momentum of national exposure of Lake Amistad, including working closely with groups (i.e., ESPN) who plan national fishing tournaments.
 - b. Raise the profile of Lake Amistad locally by encouraging greater use by local residents, including the consideration of establishing festivals and other special events.
 - c. Include Lake Amistad in all marketing and promotional materials for the City.
 - d. Consider working with the National Parks Service to encourage increased housing and recreational developments (e.g., bike paths, nature trails, etc.) at Lake Amistad.
2. Continue to encourage the redevelopment and revitalization of downtown Del Rio. Del Rio is strongly positioned for better leveraging its downtown area. During the last ten to twenty years, a strong resurgence in interest in urban cores has developed. This renewed attention has coincided with the opposing trend toward suburban, big box retail. While it is doubtful—if not inappropriate—for these uses to occur in the downtown area of a smaller community, boutique shopping and arts programs offer the opportunities for revitalization. In other words, as Americans shop for certain standardized products in chain stores, they are also becoming increasingly interested in purchasing unique, specialty items in a more authentic environment found only in downtowns. Retail and arts, however, should not be the sole focal points for the revitalization of downtown Del Rio as professional services, dining, and residential uses also appear to offer viable opportunities for the downtown area.
- a. Continue to commit to the long-term support of organizations (i.e., Main Street Program), businesses, and individuals promoting downtown development.
 - b. Promote special events and the arts in downtown Del Rio.
 - c. Encourage greater mix of uses (high-end retail, dining, lodging, professional services, and residential) in the downtown area.
 - d. Promote arts and culture in downtown Del Rio by designating an Arts District in downtown Del Rio.
 - e. Tout arts and culture amenities as quality of place assets in business recruitment efforts. Work with relevant organizations to conduct a comprehensive survey of arts and cultural assets in Del Rio. Once compiled, the area should jointly promote cultural and entertainment events.
3. Strengthen linkages between Lake Amistad and downtown Del Rio. Currently, a disconnect separates the city's two greatest assets for drawing tourism interest. While the physical separation of Lake Amistad and downtown Del Rio clearly cannot be overcome. At the same time, the "psychological" connection could be greatly strengthened. For example, no indications are given at either location of the other's existence. In addition, few markers exist along Avenue F, Del Rio's primary retail shopping area, to point out either Lake Amistad or the downtown area. A focus should be made toward improving signage along this major thoroughfare, including beautification. This would provide a means for not only promoting Del Rio's two greatest tourism assets but also for strengthening their connection.

Chapter Seven
Economic Development

- a. Consider the establishment of a Lake Amistad-to-Downtown corridor district by making streetscape improvements along Avenue F, such as creating banners along Avenue F to promote both downtown and the lake and improving signage along major thoroughfares and gateways to lead visitors to the lake and downtown.
- b. Raise awareness among local retailers. The City should work with relevant groups to raise awareness of the area’s tourism assets among local retailers and hospitality-related establishments. This will help to ensure that local businesses are prepared to capture retail spending that is associated with specific tourism-related assets.
- c. Tailor retail efforts to specific events or attractions. This may mean offering extended hours of operation to accommodate specific events or designing sales and marketing efforts around a related theme. For large or regularly occurring events, the City may want to make special arrangements, such as providing shuttle service to the downtown or key shopping areas.
- d. Review “way-finding” signage. The City should work with state and local officials to ensure that signage makes it easy for non-residents to get around. Signs should guide visitors to downtown, Lake Amistad, and major attractions.

LAUGHLIN AIR FORCE BASE

Laughlin AFB base remains a critical economic driver for the Del Rio economy, and opportunities for leveraging its presence should be pursued. While the base has survived recent rounds of BRAC, its long term presence in the area should be taken for granted. As the military “transforms” and continues to seek new solutions for current and future defense needs, Del Rio should remain abreast of both challenges and opportunities for the base. One asset of the base that should be explored is opportunities for spousal employment. Another asset is consideration of the skill sets of the personnel that are terminating service and have potential to remain in the Del Rio area because of family ties or retirement. In addition to local employment opportunities for ex-service and family members, serious consideration should also be given to opportunities for expanding the base’s mission as well as protecting the base from undesirable developments that might put its current mission at risk.

GOAL: Fully leverage the potential of Laughlin AFB to increase the economic vitality of Del Rio.

RECOMMENDATIONS TO CONSIDER:

1. Designate a special liaison to improve communication between the City and Laughlin AFB. While the City and the base appear to have a good working relationship, room for improvement always exists. A number of recent issues have arisen regarding the status of Laughlin AFB, including adjacent real estate developments as well as the last round of BRAC. The City should consider working with other area entities, including the Chamber, to designate an individual to become the single point of contact between the area’s civilian and military communities. This should be considered a high priority for the area as issues will likely continue to rise. While ensuring open and clear lines of communication should be the first priority for the liaison in general, specific topics should include assisting the base in communicating its needs

Chapter Seven
Economic Development

2. Leverage the military retiree and spousal labor force. Many of the retirees are still in their prime working age and represent a significant talent pool. Several national employee placement agencies specialize in retirees and many Fortune 500 companies see retiree workforce skills (including dedication, motivation, timeliness, and people skills) to be valuable.
 - a. Expand organizational networks for new and existing retirees to engage in Del Rio's business community.
 - b. Link military spouses and the business community. The retail industry, in particular, often has a need for short-term, part-time employees. Work with local retailers and Laughlin to ensure that business employment needs are known within the military community.
 - c. Engage retirees in mentoring programs. Retirees often have the time and interest in sharing their expertise. This can be particularly helpful in connecting with the young professionals.

3. Protect Laughlin AFB from the encroachment of undesirable developments. One of the primary threats to the training mission Laughlin AFB is the development of incompatible uses that might undermine the integrity of flightspace surrounding the base. Strong consideration should be given to protecting space surrounding the base (see Chamber Three regarding specific recommendations and actions). The City should work closely with Laughlin through the base liaison to ensure a clear understanding of exact standards for the types and locations of developments that would constitute a threat to the base's mission.

IMAGE BUILDING AND MARKETING PROMOTION

One of the key challenges facing businesses across the country is the retention and attraction of talent. People are choosing to live in areas that offer a "quality of life" defined by many of the amenities that Del Rio has to offer, such as Lake Amistad, access to Mexico, and entertainment. But these assets are not known outside of the Del Rio region. There exists an opportunity to position the community throughout Texas as a destination for living and working.

As with all successful marketing, it is critical to identify your target audiences and to focus your efforts on them. The primary target audiences should be:

- Local and regional business leaders who can influence business location and investment decisions,
- Key allies, such as state and regional economic development organizations,
- Members of the region's various media, and
- Decision-makers at companies within the target industries.

The following marketing recommendations can be divided into three key areas:

- Building a coherent marketing message and image.
- Marketing for the purpose of building consensus and local support.
- Marketing for the purpose of attracting new businesses from our target industries to Del Rio and for the purpose of attracting new talent.

Chapter Seven
Economic Development

GOAL: Alter both internal and external perceptions of Del Rio by communicating opportunities to residents and businesses alike.

RECOMMENDATIONS TO CONSIDER:

1. Build consensus for a primary theme/message for marketing Del Rio. While it is not necessarily recommended that all organizations promoting Del Rio adopt a common logo, these organizations should continue to work closely together to ensure that a common message for the “Del Rio story” is projected to the outside world.
 - a. Convene a focus group of area entities to review options for a coordinated marketing message/theme for Del Rio.
 - b. Incorporate the new theme into current and future economic development marketing materials and website. The website should also incorporate opportunities that Del Rio is trying to promote.
 - c. Prepare a press packet with a summary of Del Rio’s business highlights and contact information:
 - i. Cover letter to answer specific questions or address specific topics the writer is covering, as well as offering to put the writer in touch with potential interviewees
 - ii. Fact sheet about Del Rio, including list of major employers
 - iii. Distinguishing features about the Del Rio (Lake Amistad, proximity to Mexico/Ciudad Acuna, and downtown Del Rio)
 - iv. Copies of articles that have been published about Del Rio
 - v. New expansions and locations in Del Rio
 - vi. High quality photographs of Del Rio and area assets
 - d. Maintain and enhance Del Rio community profile

2. Build awareness of economic development opportunities among Del Rio’s leadership and residents. Promoting positive perceptions among local leaders and residents about economic development in Del Rio is critical to the success of any marketing plan. The local public and private sector leaders have the greatest impact on how Del Rio is viewed from the outside. For example, executives, plant managers, military personnel, and others often travel outside the region and speak with business associates, family, friends, and other potential decision makers about the community. Area residents can serve as Del Rio’s best marketing channel. If the local audience understands Del Rio’s assets and is speaking positively about local opportunities, this will have a greater impact on the city’s economic future than any external marketing campaign. The bottom line is that the initial marketing campaign for Del Rio should start close to home.
 - a. Establish a Del Rio Ambassadors or similar program, with the purpose of: 1) building an awareness of the its core strengths among area business executives and air force personnel, and 2) providing information to them for continuing to spread a positive image of Del Rio in their business and personal relationships. In essence, the Ambassador’s program would act as a marketing team for Del Rio.

Chapter Seven
Economic Development

- i. Identify business and other leaders from the area most likely to influence outside decision makers
 - ii. Create a brief profile promoting Del Rio's positive aspects to be used by area community and business leaders.
 - iii. Meet regularly with the Ambassadors keeping them up to date on current initiatives, progress, and honing the marketing message.
 - iv. Create a mechanism for the Ambassadors to refer prospect leads.
3. Build awareness of Del Rio throughout Texas. It is recommended the City and Chamber should focus efforts on enhancing the area's external image throughout Texas, but especially in San Antonio and Central Texas. Assets such as Lake Amistad, downtown, major new developments, the maquila industry, existing businesses, and other distinct opportunities should be promoted through a combination of partner advertising, public relations, and networking.
 - a. Design and initiate an advertising campaign in partnership with appropriate partners using an agreed upon marketing theme, design and place advertisements in the *San Antonio Business Journal* and other regional publications promoting both Del Rio and specific opportunities. Advertisements should highlight the specific projects and other opportunities in the community. For print advertisement to be effective, however, it requires repeated exposure in the same market over sustained periods.
 - b. Implement a public relations campaign targeted at regional publications. It is recommended that key regional publications should be identified and press releases should be sent regularly about recent business successes. The initial press release should be to promote the success of the comprehensive plan and explain how local leadership worked together to determine the best opportunities for Del Rio.
 - c. Participate in joint marketing activities with organizations that can refer prospect leads, such as state agencies (e.g., Governor's Office of Economic Development), transportation planning groups (e.g., Ports-to-Plains), maquiladoras, Mexican government, and area utilities.
 - d. Identify other parties that could refer leads to Del Rio and set up a visitation schedule with a focus on San Antonio and Central Texas. Examples include local and regional construction firms, real estate brokers, banks, and service firms (legal and accounting), and regional industry associations, etc.
4. Build awareness among decision-makers in target industries. Once new materials and a website have been developed for Del Rio, a direct marketing campaign can be initiated. Specific recommendations include: producing one-page marketing summaries for each target industry, creating a database of target companies, conducting a direct marketing campaign (direct mail and phone calls followed by visitation), and participation in key industry trade events. Recommended target industries include:

Chapter Seven
Economic Development

TARGET INDUSTRY	RATIONALE
TRANSPORTATION EQUIPMENT	<ul style="list-style-type: none"> ▪ Labor force with potentially transferable skills ▪ Proximity to auto manufacturing activity in northern Mexico ▪ Potential auto suppliers to Toyota ▪ Further supported by the nearby automotive testing grounds
LOGISTICS & DISTRIBUTION	<ul style="list-style-type: none"> ▪ Growing maquiladora industry in Ciudad Acuña ▪ Potential of Ports-to-Plains Corridor ▪ Industry is modernizing to utilize greater computer and electronics technologies
PACKAGING	<ul style="list-style-type: none"> ▪ Labor force with potentially transferable skills ▪ Proximity to potential customers ▪ Strong forecast for continued growth
BUSINESS & DATA SERVICES	<ul style="list-style-type: none"> ▪ Growth in industry expected ▪ Very diverse sector ▪ It is important to the future of Del Rio to begin building a workforce with these skills
RETAIL	<ul style="list-style-type: none"> ▪ Strong growth in this sector ▪ Additional retail opportunities will enhance the quality of life ▪ Strengthen downtown and leverage tourism ▪ Important retail leakage to San Antonio occurring
RECREATION & TOURISM	<ul style="list-style-type: none"> ▪ Leverage Lake Amistad and other recreational amenities ▪ Other historic attractions and natural amenities ▪ Acuña is an added draw for travelers to visit Del Rio