

COMPREHENSIVE RESORT MARKET ANALYSIS

SOUTH PADRE ISLAND, TEXAS

**PREPARED FOR:
THE SOUTH PADRE ISLAND
ECONOMIC DEVELOPMENT CORPORATION**

**PREPARED BY:
Aaron Economic Consulting, LLC
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I. INTRODUCTION

The purpose of this study is to update the 2005 South Padre Island Comprehensive Resort Market Analysis and to evaluate South Padre Island resort market potentials, and marketing and implementation strategies. For consistency and comparative purposes, Aaron Economic Consulting (AEC) kept in large part the same outline used in the 2005 report. AEC analyzed national, regional and local levels socioeconomic data in relation to South Padre Island. The first part of the report focuses on general visitation trends, causeway traffic and visitation by market segment, housing profile and seasonality of housing in South Padre Island and relative to the Gulf Coast, and Mexican national buyer potentials. The second part of the report analyzes the commercial and retail market. In the third part of the report we estimate the potential impact of Marina development. The fourth part outlines development strategies.

South Padre Island is an important contributor to the region's economy. Tourism and hospitality, and real estate represent the primary economic drivers in South Padre Island and are an important source of employment and income to surrounding communities. AEC analysis takes into account the economic importance and the contribution of South Padre Island to the lower Rio Grande valley. AEC analyzes Queen Isabella Causeway's visitors crossing and profiles the tourists visiting South Padre Island and groups them by market segment, type of accommodation, length of stay during their visit, and time of year they visited. AEC estimates the importance of each market segment on the local economy, and calculates the projected growth and the impact. In Addition, AEC developed the Crossing Effectiveness Index to better understand the effect of visitors on the economy of South Padre Island.

Residential market analysis discusses the structural change and the emerging trends in residential development on South Padre Island. Building permit, population and household growth, and household income data are analyzed.

AEC surveys the Island's lodging and rental condominium market and evaluates the factors influencing the demand for lodging.

Existing retail and commercial space characteristics are described and the potential for retail/commercial development on the Island is analyzed.

II. TOURISM AND VISITATION

A. General Visitation Trends

Natural resource-based attractions, particularly tourist destinations and natural areas, are often cited as important contributors to local economies. Without adequate documentation of this contribution, local officials and others might not appreciate the significant economic impact and the importance of South Padre Island on Cameron County and its surrounding communities. South Padre Island is the primary tourist attraction in South Texas and therefore much of the economic impact of leisure travel to South Texas is associated with the Island.

There are countless analyses designed to estimate the value of a resource. Most of these analyses are financial reports that provide elected officials with an accounting of the revenues generated and costs incurred by the resource. These analyses do not capture all the benefits the analyzed resource generates, and subsequently fail to provide an accurate picture of the importance of the resource to those who utilize it, those whose taxes help support it, and those whose businesses rely on it. These reports generally fail to provide the necessary information decision makers and stakeholders need to fully understand the true economic impact these resources make to a region by attracting visitors from outside the region and injecting external dollars to stimulate the local economy.

South Padre Island is a primarily tourist destination located at the southeastern edge of Cameron County, Texas with shores on the Gulf of Mexico and Laguna Madre Bay. South Padre Island's climate makes it an ideal year-round vacation destination. The Island offers an array of outdoor and water related activities, a remarkable birding center, numerous nature preserves, historical battlefield sites, and various golf courses within its vicinity, and is a short drive from Mexico. Currently the Island only connection to the mainland is through Queen Isabella Causeway. However, the Texas Turnpike Authority (TTA) of Texas Transportation Department (TxDOT) is planning a second causeway. The proposed causeway would be a four-lane bridge that would connect the mainland to northern end of the island. With a planned second access there will be a growing need to upgrade and expand the existing facilities and attractions in South Padre Island and to develop new ones.

South Padre Island's visitors have a significant impact on the local economy. They represent the core source of economic activity for the hospitality and tourism industry, the retail sector, and for other service sectors. In addition, they are the indirect catalysts for the real estate market. Spending by visitors stimulate the demand for employment, housing, and other hospitality and tourism related activities. In addition, these initial visitors' spending generate additional rounds of spending and taxes in the local economy and in surrounding economies through the payroll compensation. These additional rounds of spending are unrelated to the hospitality and tourism industry but are driven by increased income in the impacted communities.

To better understand the impact of visitors on South Padre Island's economy and subsequently on the economies of surrounding communities, it is important to identify socio-economic characteristics and profiles of visitors, points of origin, motives for visiting South Padre Island, mode of travel, length of stay, party size, type of accomodation, and expenditures by type during the stay. Visitors statistics help inform the decision process of South Padre Island officials and decision makers, and guides the planning and identification of the most suitable developments and projects.

Like many tourist destinations, South Padre Island's economy is seasonal. The number of tourists visiting the Island varies from month to month. The variation in the number of visitors is very pronouced when comparing peak months with off-peak months. The peak months are March, June, July and August, with July being the busiest month. Begining in September , the number of visitors declines and reaches its lowest point in December. South Padre Island's natural assets can be leveraged to mitigate the effect of seasonality. In addition to its full range of water-related activities and perfect weather conditions during most of the off-peak months, its natural location for bird migration patterns and nesting, and also for sea turtle nesting makes South Padre Island an ideal eco-tourism destination. In fact, the Island has positioned itself to be an important destination for birding enthusiasts by establishing a excellent birding center.

South Padre Island's visitors data shows that the Island draws visitors from local, regional, national, and international markets.

Tables 1 and 2 show annual and monthly traffic crossing the Queen Isabella Causeway to South Padre Island. In Table 1, traffic increased steadily from 1990 to 2007 at an average annual rate of 2.5 percent. In 2008, the number of crossing declined because of hurricane Dolly. In 2010, the number of crossing declined again relative to the previous year because of the economic and

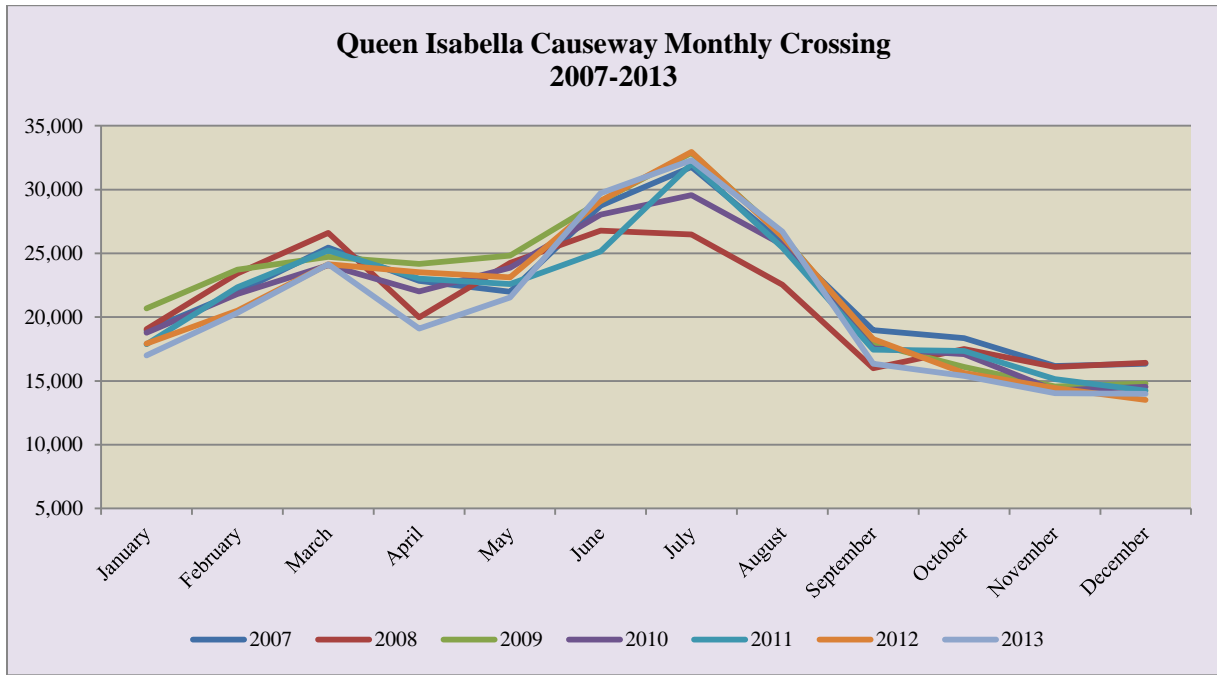
financial crisis. Table 2 breaks down the crossing by month and shows the variability in crossing from one month to the next. For example, In 2013, the number of December crossing was only 43 percent of July's crossings. Figure 1 plots data from Table 2 and shows the crossing seasonality. Table 2 also shows that 45 percent of the crossing happens during the 4 peak months while the 8 off-peak months account for the remaining 55 percent. While it is important to track the number of crossings from a logistics standpoint and for mobility purposes, It is also important to evaluate the impact of these crossings from an economic standpoint. AEC developed an index, Causeway Crossing Effectiveness Index (CCEI), to measure the economic contribution of these monthly crossings to the economy of South Padre Island. The index computes the value of each crossing in terms of occupancy tax. Table 3 shows the monthly CCEI and details the monetary contribution of each crossing to the Island's occupancy tax revenue. The CCEI provides insight about visitors and could be a very useful tool for South Padre Island to develop different strategies for each market segment and evaluate the effectiveness of each strategy. For example, in 2013 the number of crossings in January exceeded the number of crossings in December (17,011 and 13,997 respectively) yet Occupancy tax revenue for December was \$149,820 compared to \$123,289 in January. This suggests that the ratio of local crossing to total crossing was higher in January than in December. The CCEI shows that each January crossing generated \$7,25 and each December crossing generated \$10.70. In other words, there were fewer crossings in December than in January but more non-local visitors in December than in January. Table 3 also details the contribution of each crossing by month. The data in Table 2 shows that there were almost twice as many crossings in July than in January and the data in Table 3 shows that each crossing in July generated almost 6.5 times more occupancy tax revenue than in January. Relying solely on the number of crossings can be misleading and may lead to the adoption of wrong strategies and programs.

Table 1. Annual and Daily Traffic Counts across Causeway to South Padre Island (1990-2013)

| Year | Annual Traffic | Daily Traffic | Percent Change |
|---|----------------|---------------|----------------|
| 1990 | 5,704,585 | 15,629 | - |
| 1995 | 6,758,705 | 18,517 | 3.70% |
| 2000 | 7,476,295 | 20,483 | 2.12% |
| 2001 | - | - | - |
| 2002 | 7,632,150 | 20,910 | 2.08% |
| 2003 | 7,807,715 | 21,391 | 2.30% |
| 2004 | 7,831,424 | 21,456 | 0.30% |
| 2005 | 7,908,090 | 21,666 | 0.98% |
| 2006 | 8,053,360 | 22,064 | 1.84% |
| 2007 | 8,136,813 | 22,293 | 1.04% |
| 2008 | 7,760,441 | 21,261 | -4.63% |
| 2009 | 8,211,184 | 22,496 | 5.81% |
| 2010 | 7,829,591 | 21,451 | -4.65% |
| 2011 | 7,846,949 | 21,498 | 0.22% |
| 2012 | 7,896,573 | 21,634 | 0.63% |
| 2013 | 7,629,748 | 20,903 | -3.38% |
| Forecasted crossing | | | |
| 2015† | 8,397,794 | 23,008 | 5.03%* |
| 2025† | 10,900,985 | 29,866 | 3.57%* |
| 2030‡ | 12,264,000 | 33,600 | 2.71%* |
| Annual Change | | | |
| Change 2010-2015 | 568,203 | 1,557 | 1.45% |
| Change 2015-2025 | 2,503,190 | 6,858 | 2.98% |
| Change 2025-2030 | 1,363,015 | 3,734 | 2.50% |
| *Annual percent change relative to 2013 | | | |

Source: Texas Department of Transportation and AEC.

Figure 1. Queen Isabella Causeway Crossing 2007-2013



Source: Texas Department of Transportation and AEC.

Table 2. Average Daily Traffic Counts across Causeway to South Padre Island by Month, 2007-2013

| Average Annual Daily Traffic | | | | | | | | | | | | |
|------------------------------|---------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|
| Year | January | February | March | April | May | June | July | August | September | October | November | December |
| 2007 | 18,933 | 21,941 | 25,445 | 22,849 | 21,990 | 28,750 | 31,768 | 25,862 | 18,988 | 18,353 | 16,166 | 16,355 |
| 2008 | 19,047 | 23,432 | 26,606 | 19,992 | 24,248 | 26,772 | 26,492 | 22,550 | 15,992 | 17,502 | 16,097 | 16,418 |
| 2009 | 20,682 | 23,727 | 24,737 | 24,174 | 24,826 | 29,079 | 32,881 | 26,433 | 17,922 | 16,108 | 14,577 | 14,792 |
| 2010 | 18,789 | 21,828 | 24,069 | 22,022 | 23,884 | 28,027 | 29,571 | 25,680 | 17,547 | 17,094 | 14,278 | 14,532 |
| 2011 | 17,876 | 22,345 | 25,234 | 23,026 | 22,584 | 25,149 | 32,031 | 25,465 | 17,450 | 17,344 | 15,140 | 14,253 |
| 2012 | 17,925 | 20,502 | 24,147 | 23,518 | 23,120 | 29,117 | 32,946 | 26,299 | 18,292 | 15,632 | 14,445 | 13,522 |
| 2013 | 17,011 | 20,331 | 24,157 | 19,099 | 21,529 | 29,716 | 32,307 | 26,707 | 16,344 | 15,407 | 14,038 | 13,997 |

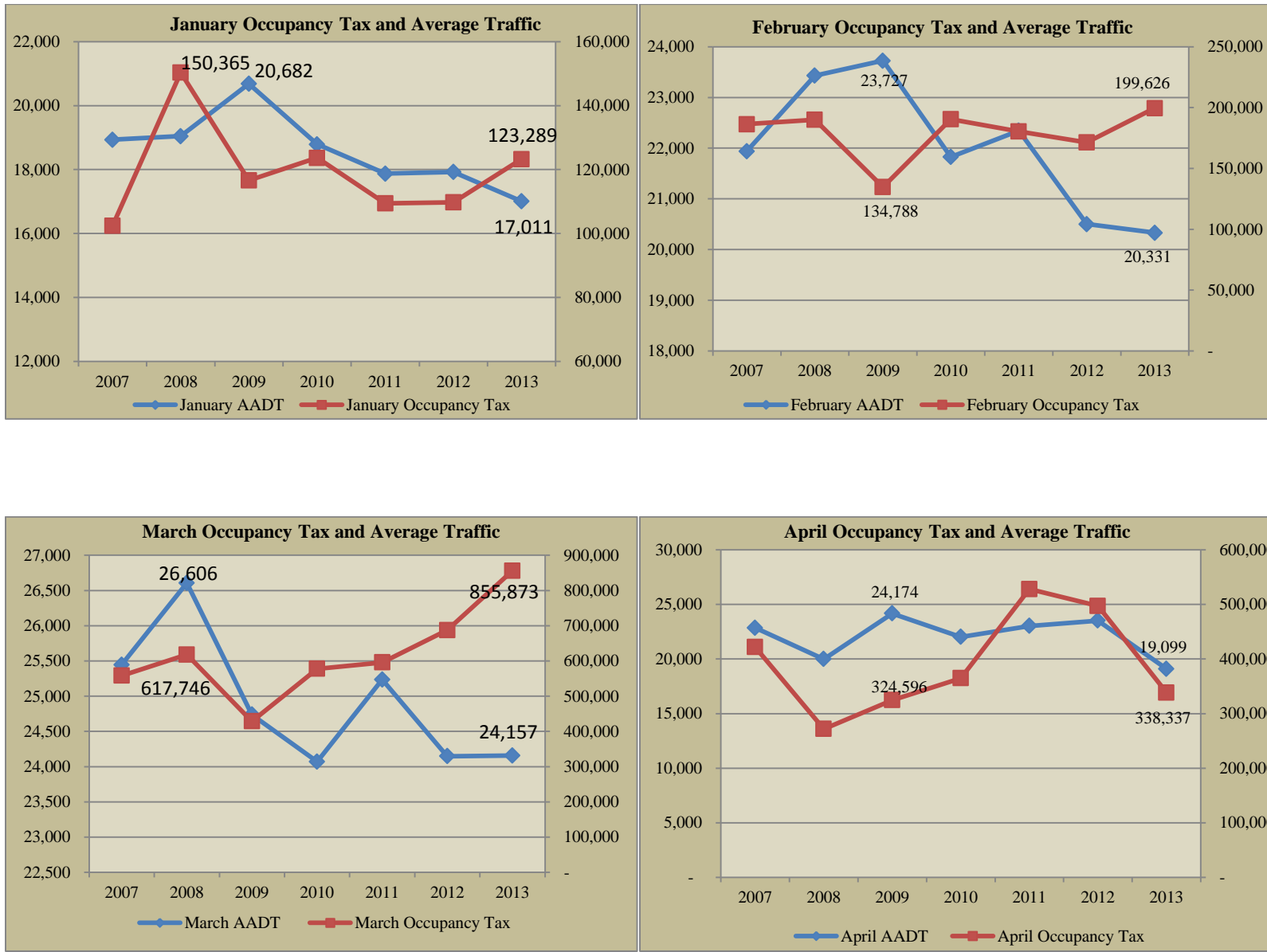
Source: Texas Department of Transportation and AEC.

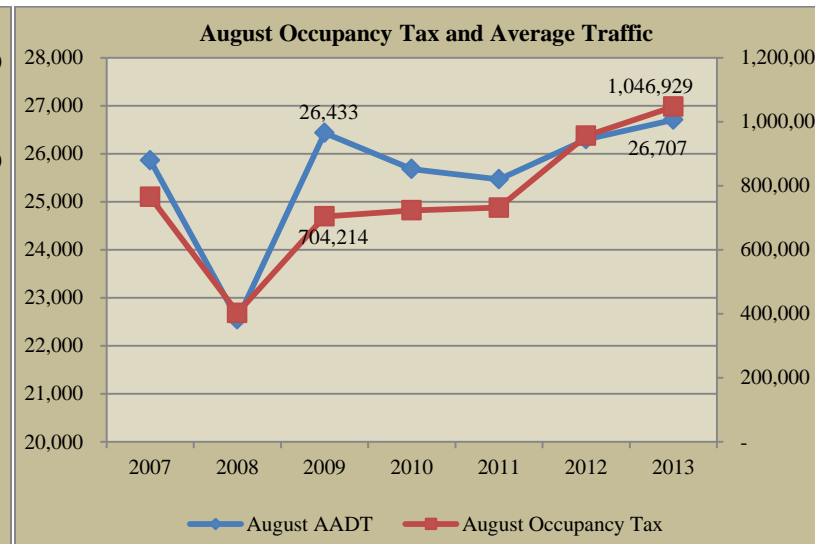
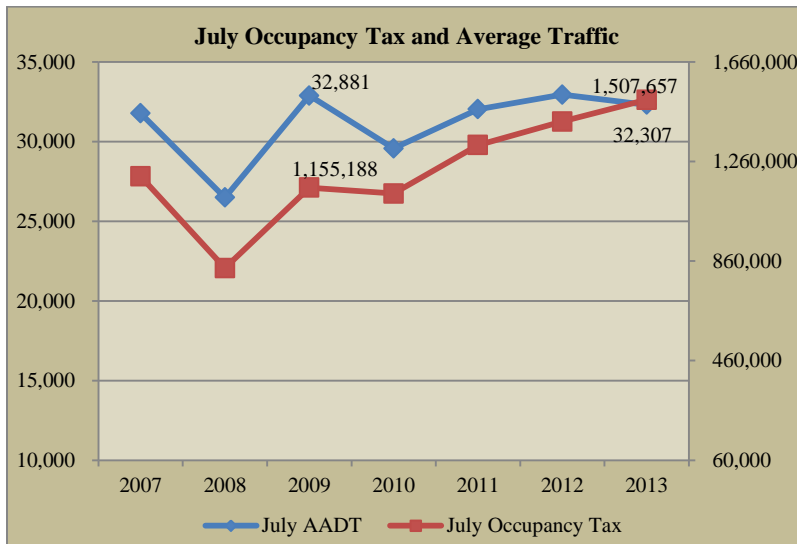
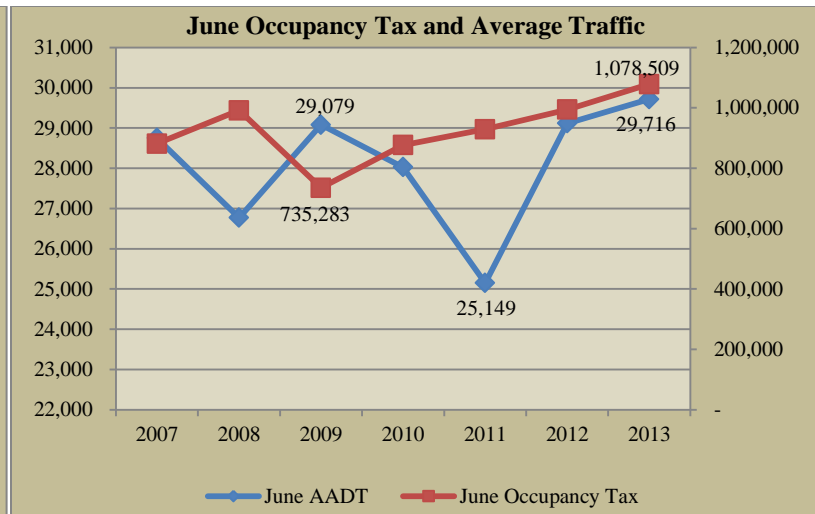
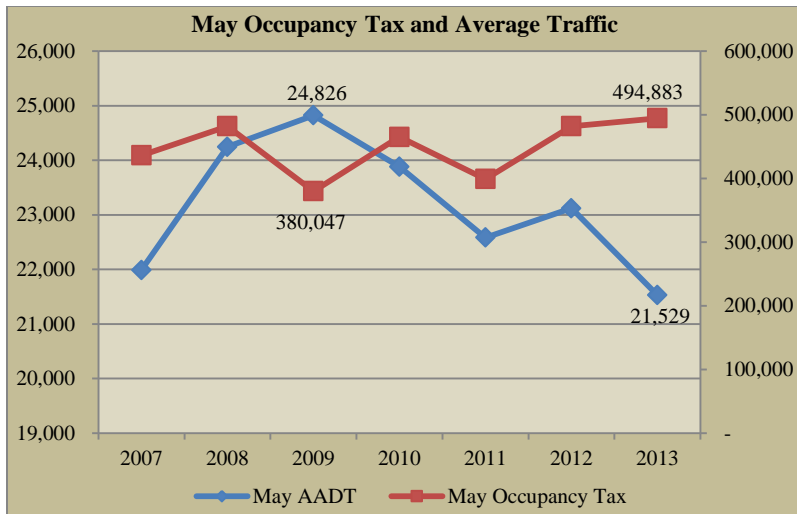
Table 3. Causeway Crossing Effectiveness Index by Month, 2007-2013

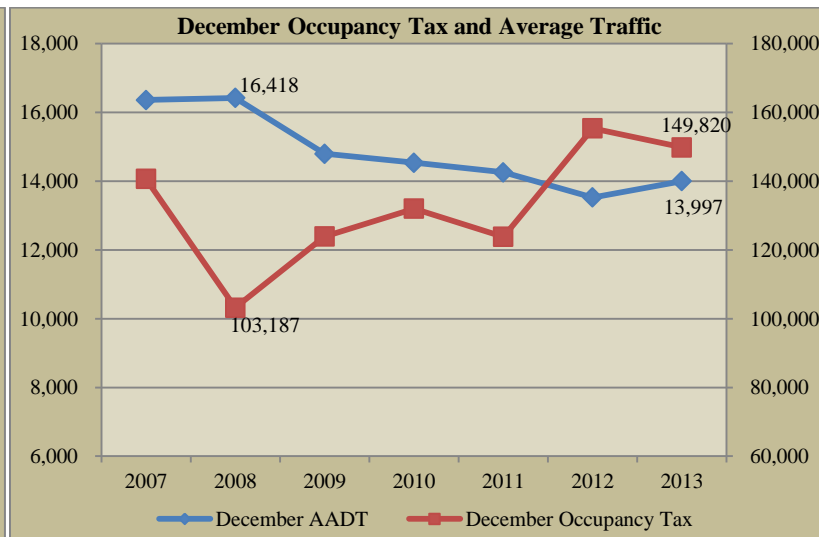
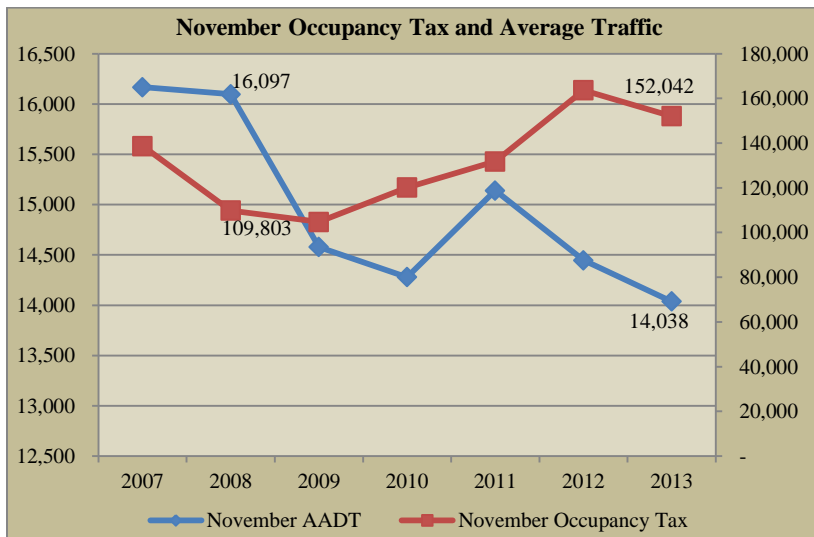
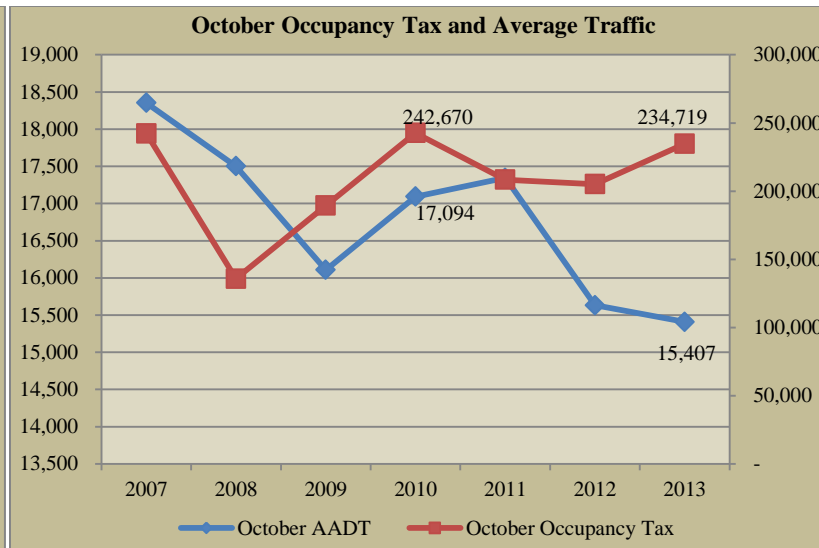
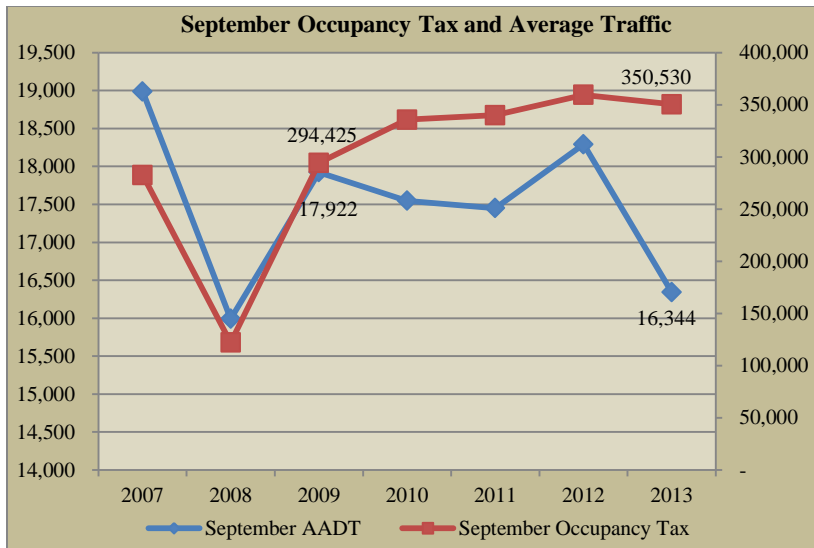
| Crossing Effectiveness Index | | | | | | | | | | | | |
|------------------------------|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|
| Year | January | February | March | April | May | June | July | August | September | October | November | December |
| 2007 | \$5.41 | \$8.50 | \$21.93 | \$18.47 | \$19.85 | \$30.67 | \$37.77 | \$29.57 | \$14.89 | \$13.20 | \$8.58 | \$8.60 |
| 2008 | \$7.89 | \$8.11 | \$23.22 | \$13.60 | \$19.89 | \$37.04 | \$31.39 | \$17.85 | \$7.63 | \$7.76 | \$6.82 | \$6.28 |
| 2009 | \$5.64 | \$5.68 | \$17.32 | \$13.43 | \$15.31 | \$25.29 | \$35.13 | \$26.64 | \$16.43 | \$11.76 | \$7.19 | \$8.37 |
| 2010 | \$6.58 | \$8.73 | \$24.00 | \$16.57 | \$19.49 | \$31.28 | \$38.26 | \$28.16 | \$19.13 | \$14.20 | \$8.41 | \$9.08 |
| 2011 | \$6.12 | \$8.08 | \$23.61 | \$22.93 | \$17.68 | \$36.96 | \$41.40 | \$28.73 | \$19.49 | \$12.02 | \$8.71 | \$8.69 |
| 2012 | \$6.12 | \$8.36 | \$28.46 | \$21.14 | \$20.86 | \$34.14 | \$43.12 | \$36.35 | \$19.65 | \$13.12 | \$11.33 | \$11.49 |
| 2013 | \$7.25 | \$9.82 | \$35.43 | \$17.71 | \$22.99 | \$36.29 | \$46.67 | \$39.20 | \$21.45 | \$15.23 | \$10.83 | \$10.70 |

Source: Texas Department of Transportation and AEC.

Figure 2. Causeway Crossing and Occupancy Tax by Month, 2007-2013

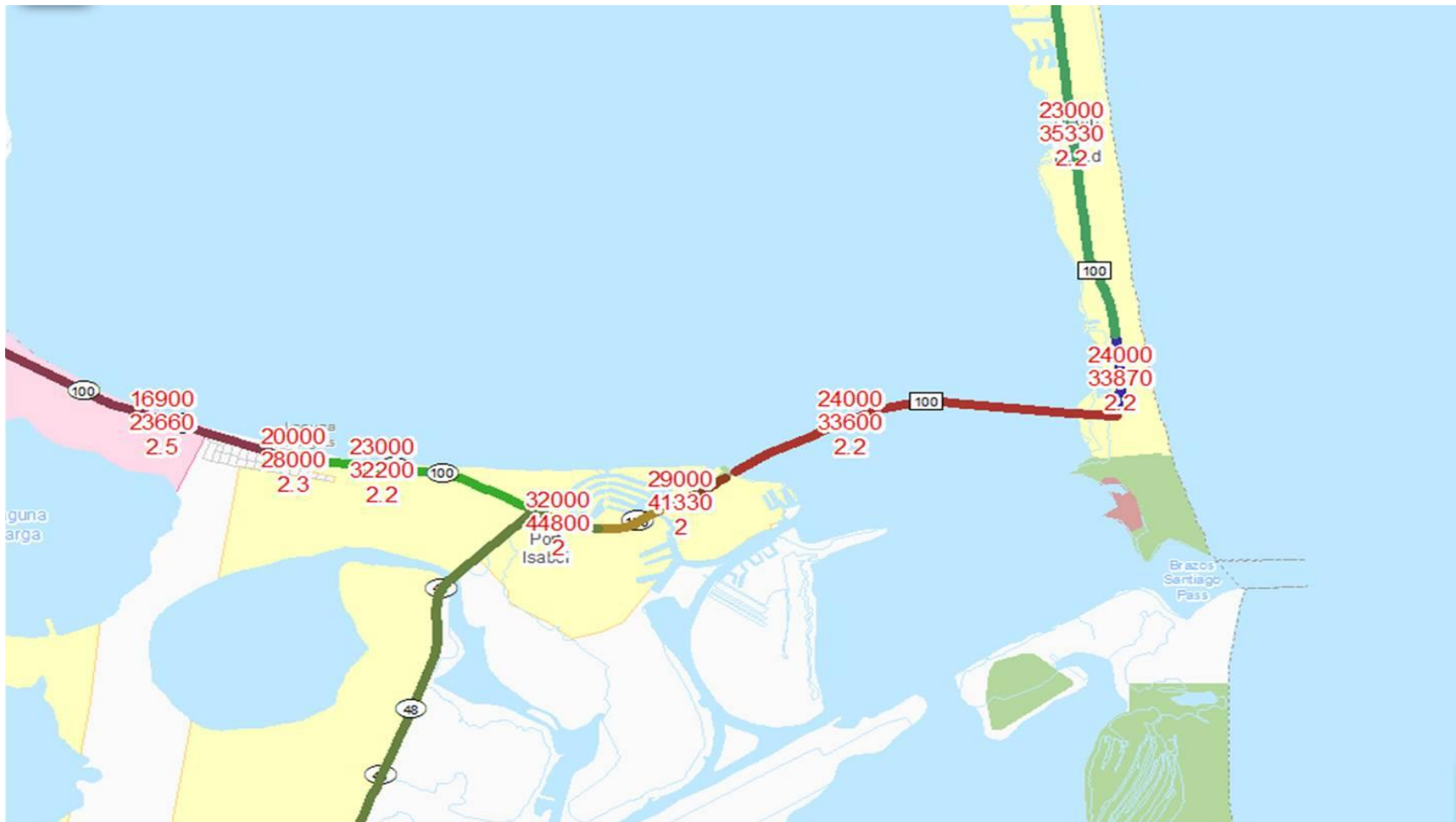






Source: South Padre Island Economic Development Corporation, Texas Department of Transportation, and AEC.

Figure 3. Annual Average Daily Traffic



Source: Texas Department of Transportation

Figure 2 contrasts Annual Average Daily Traffic (AADT) data and occupancy tax revenue. The figure shows that in 2013 the number of non-local visitors relative to local visitors increased in January, February, March, May, July, and October. The data shows that occupancy tax revenue increased for those months when the number of crossing was declining, suggesting that there were the number of non-local visitors increased while the number of local visitors declined. For the months of June and August the total number of visitors and occupancy tax revenue increased. April, September, and November experienced a decline in total visitors and occupancy tax revenue, while in December the number of visitors increased and occupancy tax revenue declined suggesting an increase in local visitors and a decline in non local visitors.

Tables 4 and 5 below, provide travel related spending trends on South Padre Island. Table 4 shows that between 2002 and 2013, total direct travel spending for South Padre Island increased at an average annual rate of 3.7% compared to 4.3% for Brownsville, 4.8% for Corpus Christi, 5.6 % for Galveston, and 3.4% for Cameron County.

Some of the reasons for the difference in growth rates between the Island, Corpus Christi, and Galveston are the make-up of visitors, the difference in seasonality of travels in the three destinations, and the proximity of Galveston and Corpus Christi to large cities. The ratio of business travelers to leisure travelers is higher for Corpus Christi and Galveston than for South Padre Island. Leisure travelers are more sensitive to price changes than business travelers. The seasonality of the economy of South Padre Island is more pronounced in than the economies of the other two destinations.

Table 4. Total Direct Travel Spending

| | Brownsville | | Corpus Christi | | Galveston | | South Padre Island | | Cameron County | |
|------|-------------|---------------|----------------|---------------|------------|---------------|--------------------|---------------|----------------|---------------|
| Year | Million \$ | Annual Change | Million \$ | Annual Change | Million \$ | Annual Change | Million \$ | Annual Change | Million \$ | Annual Change |
| 2002 | \$174.70 | N/A | \$578.20 | N/A | \$369.30 | N/A | \$263.40 | N/A | \$598.10 | 3.50% |
| 2003 | \$178.20 | 2.00% | \$582.40 | 0.70% | \$380.70 | 3.10% | \$250.90 | -4.80% | \$592.80 | -0.90% |
| 2004 | \$191.00 | 7.20% | \$613.90 | 5.40% | \$401.50 | 5.50% | \$269.70 | 7.50% | \$632.70 | 6.70% |
| 2005 | \$198.40 | 3.90% | \$660.90 | 7.70% | \$466.90 | 16.30% | \$287.10 | 6.50% | \$669.40 | 5.80% |
| 2006 | \$225.60 | 13.70% | \$713.10 | 7.90% | \$501.20 | 7.30% | \$308.70 | 7.50% | \$731.80 | 9.30% |
| 2007 | \$241.90 | 7.20% | \$721.30 | 1.10% | \$528.80 | 5.50% | \$316.40 | 2.50% | \$766.50 | 4.70% |
| 2008 | \$259.40 | 7.20% | \$755.90 | 4.80% | \$579.90 | 9.70% | \$267.50 | -15.40% | \$748.90 | -2.30% |
| 2009 | \$230.70 | -11.00% | \$697.00 | -7.80% | \$483.40 | -16.60% | \$275.00 | 2.80% | \$716.30 | -4.40% |
| 2010 | \$242.70 | 5.20% | \$729.70 | 4.70% | \$493.20 | 2.00% | \$289.50 | 5.20% | \$744.10 | 3.90% |
| 2011 | \$243.00 | 0.10% | \$805.80 | 10.40% | \$532.10 | 7.90% | \$305.10 | 5.40% | \$769.60 | 3.40% |
| 2012 | \$258.40 | 6.30% | \$852.10 | 5.70% | \$575.70 | 8.20% | \$320.80 | 5.20% | \$812.90 | 5.60% |
| 2013 | \$257.00 | -0.60% | \$882.60 | 3.60% | \$594.80 | 3.30% | \$332.00 | 3.50% | \$823.70 | 1.30% |

Source: Texas Department of Tourism, AEC

Table 5 shows that lodging revenues in SPI accounts for 66% of total Cameron County revenues. Data from the Texas Tourism office show that lodging revenues in South Padre Island has been steadily climbing relative to the rest of Cameron County. The annual growth rate of hotel room revenue is due to a slight increase in the occupancy rate and to a steady increase in room rates. Table 6 shows hotel occupancy rates for South Padre Island have increased since the 2008 recession.

Table 5. Hotel Rooms Revenues by Year (\$ 000'S)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| BROWNSVILLE | \$17,297 | \$18,314 | \$22,286 | \$25,625 | \$28,005 | \$21,416 | \$22,187 | \$20,648 | \$22,490 | \$23,319 |
| CORPUS CHRISTI | \$90,300 | \$95,528 | \$105,229 | \$106,707 | \$112,529 | \$105,395 | \$108,316 | \$122,332 | \$135,699 | \$146,222 |
| GALVESTON | \$78,814 | \$95,478 | \$106,737 | \$115,844 | \$131,554 | \$99,811 | \$99,513 | \$113,844 | \$126,713 | \$136,712 |
| SOUTH PADRE ISLAND | \$71,847 | \$74,517 | \$82,568 | \$84,598 | \$68,078 | \$68,313 | \$70,565 | \$73,404 | \$78,968 | \$83,770 |
| CAMERON COUNTY | \$104,953 | \$109,680 | \$124,071 | \$131,043 | \$117,201 | \$107,847 | \$109,867 | \$111,613 | \$121,080 | \$126,476 |

Table 6. Hotel Occupancy by Year

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------------|------|------|------|------|------|------|------|------|------|------|
| BROWNSVILLE | 58.2 | 56.3 | 55.3 | 58.2 | 57.6 | 49.9 | 54.5 | 54.8 | 58 | 58.1 |
| CORPUS CHRISTI | 53.8 | 55.2 | 56.1 | 53 | 51 | 49.9 | 53 | 56.2 | 57.9 | 58.7 |
| GALVESTON | 47.3 | 52.9 | 52.1 | 51.3 | 55.8 | 49.7 | 45.2 | 48.1 | 51.7 | 49.7 |
| SOUTH PADRE ISLAND | 46.3 | 45.7 | 46.4 | 44.6 | 39.1 | 43.6 | 44.5 | 47.4 | 48.8 | 49.9 |
| CAMERON COUNTY | 49.7 | 49.2 | 50.2 | 50.9 | 47.4 | 47.2 | 49.1 | 51.1 | 53.5 | 53.7 |

Source: Texas Department of Tourism, AEC

The economy of South Padre Island relies primarily on two economic drivers: Hospitality and Tourism and Real Estate related activities. Table 7 lists all employers in South Padre Island. The table shows that the vast majority of employers are in the hospitality and tourism, accommodations and eating and drinking establishments. The next largest group of businesses is in Real Estate related activities. The majority of employees at the Island are residents of surrounding communities. This highlights the importance of South Padre Island on the economies of Cameron County's communities. South Padre Island directly impacts these communities by providing approximately 3,500 jobs to their residents. In addition, the Island is one of the most important sources of non-local money injected into Cameron County's economies.

Table 7. South Padre Island's Employers

| | | |
|--|---|---|
| <p><u>A Cabs</u> 1515 Padre Blvd South Padre Island, TX 78597-6711</p> | <p>CONTACT: Rosa Cantu, Owner PHONE: (956) 761-2222 DESCRIPTION: Airport Transportation Service</p> | <p>NAICS: 4859 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9</p> |
| <p><u>Air Padre Inc</u> 5709 Padre Blvd South Padre Island, TX 78597-7633</p> | <p>PHONE: (956) 761-2297 DESCRIPTION: Nonclassified Establishments</p> | <p>NAICS: 9999 # OF EMPLOYEES: N/A</p> |
| <p><u>Amanda Rae's LLC</u> 410 Padre Blvd South Padre Island, TX 78597-6603</p> | <p>PHONE: (956) 761-7770 DESCRIPTION: Nonclassified Establishments</p> | <p>NAICS: 9999 # OF EMPLOYEES: N/A</p> |
| <p><u>Amberjack's Bayside Bar & Grill</u> 209 W Whiting St South Padre Island, TX 78597-6920</p> | <p>CONTACT: Lance Mullins, Owner PHONE: (956) 761-6500 DESCRIPTION: Full-service Restaurant</p> | <p>NAICS: 7225 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 100 - 499</p> |
| <p><u>American Diving</u> 33256 State Park Road 100 #104 South Padre Island, TX 78597-0202</p> | <p>CONTACT: Timothy O'Leary, Owner PHONE: (956) 761-2030 FAX: (956) 761-6039 DESCRIPTION: Divers Equipment & Supplies</p> | <p>NAICS: 4511,6116 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 20 - 49</p> |
| <p><u>Aquarius Condominium</u> 2000 Gulf Blvd South Padre Island, TX 78597-6838</p> | <p>CONTACT: Dante Reyes, Manager PHONE: (956) 761-8770 FAX: (956) 761-8776 DESCRIPTION: Condominiums</p> | <p>NAICS: 5311 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19</p> |
| <p><u>Avis Rent A Car</u> 310 Padre Blvd South Padre Island, TX 78597-6501</p> | <p>CONTACT: Leticia Montiel, Site Manager PHONE: (956) 761-3183 DESCRIPTION: Automobile Renting</p> | <p>NAICS: 5321 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9</p> |
| <p><u>Bahia Mar Management</u> 6300 Padre Blvd</p> | <p>CONTACT: Alejandro Garza, Manager PHONE: (956) 433-5480</p> | <p>NAICS: 5611 SALES: \$5 Million - \$10 Million</p> |

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| South Padre Island, TX 78597-7717 | DESCRIPTION: Management Services | # OF EMPLOYEES: 10 - 19 |
| <u>Beach Service</u> 5312 Padre Blvd South Padre Island, TX 78597-7518 | http://ONTHEBEACHSPI.COM CONTACT: Charles Brommer, Owner PHONE: (956) 761-5622 DESCRIPTION: Rental Agencies | NAICS: 5312 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Beachside Bar & Grill</u> 310 Padre Blvd South Padre Island, TX 78597-6501 | CONTACT: Pedro Sierra, Director PHONE: (956) 761-6551 FAX: (956) 761-6570 DESCRIPTION: Limited-service Restaurant | NAICS: 7225,7224 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>Beachside Inn</u> 4500 Padre Blvd South Padre Island, TX 78597-7341 | http://PADREBEACHSIDE.COM CONTACT: Darsan Singh, Owner PHONE: (956) 761-4919 FAX: (956) 761-3924 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Ben's Liquors</u> 410 Padre Blvd # P South Padre Island, TX 78597-6603 | http://BENSLIQUORSTORE.COM CONTACT: Ben Khajeh, Owner PHONE: (956) 761-8883 FAX: (956) 761-3900 DESCRIPTION: Liquors-retail | NAICS: 4453 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Best Western-fiesta Isles</u> 5701 Padre Blvd South Padre Island, TX 78597-7633 | PHONE: (956) 761-4913 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Big Boy's Wings</u> 1912 Padre Blvd South Padre Island, TX 78597-6826 | CONTACT: Cameron Salazar, Manager PHONE: (956) 761-4379 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 10 - 19 |
| <u>Big Donkey Restaurant</u> 4215 Padre Blvd South Padre Island, TX 78597-7328 | CONTACT: Bernardo Lugo, Manager PHONE: (956) 761-4843 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 20 - 49 |

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| <u>Blackbeard's Restaurant</u> 103 E Saturn Ln South Padre Island, TX 78597 | http://BLACKBEARDSSPI.COM CONTACT: Zeke Garrett, General Mgr PHONE: (956) 761-2962 DESCRIPTION: Limited-service Restaurant | NAICS: 7225 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 50 - 99 |
| <u>Blackboards Restaurant</u> PO Box 2367 South Padre Island, TX 78597-2367 | CONTACT: Robert Lewis, President PHONE: (956) 761-4423 DESCRIPTION: Ice Cream Parlors | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Blue Bay Inn & Suites</u> 901 Padre Blvd South Padre Island, TX 78597-6608 | http://SOUTHPADREINN.COM CONTACT: Shiraz Simchon, Manager PHONE: (956) 761-4884 FAX: (956) 761-4808 DESCRIPTION: Hotels & Motels | NAICS: 7211,7225 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Blue Hairing</u> 5800 Padre Blvd # 102 South Padre Island, TX 78597-7615 | http://BLUEHAIRING.COM PHONE: (956) 761-2887 DESCRIPTION: Beauty Salons | NAICS: 8121 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Blue Hairing Salon & Day Spa</u> 5800 Padre Blvd South Padre Island, TX 78597-7613 | PHONE: (956) 761-2887 DESCRIPTION: Spas-beauty & Day | NAICS: 8121 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Blue Marlin Supermarket</u> 2912 Padre Blvd South Padre Island, TX 78597-7031 | CONTACT: Albert Barrera, Hr Executive PHONE: (956) 761-4966 FAX: (956) 761-6401 DESCRIPTION: Grocers-retail | NAICS: 4451 SALES: \$10 Million - \$20 Million # OF EMPLOYEES: 50 - 99 |
| <u>Bmp Radio Lp</u> 1004 Padre Blvd South Padre Island, TX 78597-6605 | PHONE: (956) 761-2270 DESCRIPTION: Radio Stations & Broadcasting Companies | NAICS: 5151 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Boardwalk</u> | CONTACT: Valde Viez, Manager | NAICS: 5311 |

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| <u>Condominium Yacht</u> 425 Padre Blvd South Padre Island, TX 78597-6618 | PHONE: (956) 761-4898 DESCRIPTION: Condominiums | SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Break Away Cruises</u> 1 Padre Blvd # 27 South Padre Island, TX 78597-6402 | http://BREAKAWAYCRUISES.COM CONTACT: Daniel Bryant, Owner PHONE: (956) 761-2212 FAX: (956) 761-1255 DESCRIPTION: Boats-excursions | NAICS: 4872,4541 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Breakers Plaza Condos</u> 708 Padre Blvd South Padre Island, TX 78597-6612 | PHONE: (956) 761-4208 FAX: (956) 761-1786 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Bridgepoint Condominiums</u> 334 Padre Blvd South Padre Island, TX 78597-6501 | http://BRIDGEPOINTRESORT.COM CONTACT: Maria Alcocer, Manager PHONE: (956) 761-7969 FAX: (956) 761-2844 DESCRIPTION: Vacation Rentals | NAICS: 5313,7211,5311 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 20 - 49 |
| <u>Bryant Industrial Svc LLC</u> 1 Padre Blvd South Padre Island, TX 78597-6402 | PHONE: (956) 761-2212 DESCRIPTION: Services Nec | NAICS: 5419 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 20 - 49 |
| <u>Budget Host</u> 3408 Padre Blvd South Padre Island, TX 78597-7002 | http://BUDGETHOST.COM PHONE: (956) 761-3377 FAX: (956) 761-3343 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Burger Nation Iv</u> 5001 Padre Blvd South Padre Island, TX 78597-7431 | PHONE: (956) 433-5502 DESCRIPTION: Restaurants | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Cactus Flower Interiors</u> | CONTACT: Jeri Garrett, Owner | NAICS: 5414,4531,4422 |

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| 3009 Padre Blvd South Padre Island, TX 78597-7034 | PHONE: (956) 761-7771 FAX: (956) 761-6353 DESCRIPTION: Interior Decorators Design & Consultants | SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Cafe Kranzler</u> 2412 Padre Blvd # 1 South Padre Island, TX 78597-6926 | PHONE: (956) 772-1840 DESCRIPTION: Limited-service Restaurant | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Cameron County Park</u> <u>Mntnc Wrhs</u> 100 Park Rd South Padre Island, TX 78597-6413 | CONTACT: Javier Mendez, Exec Director PHONE: (956) 761-2453 FAX: (956) 761-5317 DESCRIPTION: Parks | NAICS: 7121 # OF EMPLOYEES: 20 - 49 |
| <u>Cameron County Parks</u> 33174 State Park Road 100 South Padre Island, TX 78597-6409 | PHONE: (956) 761-5494 DESCRIPTION: County Government-general Offices | NAICS: 9399 # OF EMPLOYEES: 5 - 9 |
| <u>Cameron County Parks</u> <u>& Rec</u> 33174 State Park Road 100 South Padre Island, TX 78597-6409 | http://CO.CAMERON.TX.US CONTACT: Javier Mendez, Exec Director PHONE: (956) 761-3700 FAX: (956) 761-5317 DESCRIPTION: Parks | NAICS: 7121,9299 # OF EMPLOYEES: 50 - 99 |
| <u>Cameron County Parks</u> <u>Dept</u> 12 Park Rd # 100 South Padre Island, TX 78597 | http://SPADRE.COM CONTACT: Javier Mendez, Exec Director PHONE: (956) 761-5494 FAX: (956) 761-5317 DESCRIPTION: Parks | NAICS: 7121 # OF EMPLOYEES: 5 - 9 |
| <u>Cap'n Roy's</u> 1313 Padre Blvd | http://CAPNROYS.COM CONTACT: Leeroy Summerlain, Owner | NAICS: 7225 SALES: Less than \$500,000 |

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| South Padre Island, TX 78597-6723 | PHONE: (956) 761-9990 DESCRIPTION: Limited-service Restaurant | # OF EMPLOYEES: 5 - 9 |
| <u>Captain Murphy Charter Svc</u> 1 Padre Blvd # A South Padre Island, TX 78597-6402 | http://CAPTAINMURPHYS.COM CONTACT: Patrick Murphy, Owner PHONE: (956) 761-2764 DESCRIPTION: Guide Service | NAICS: 7139,1141,4872,4872 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Century 21 Sand Dollar Realty</u> 3311 Padre Blvd # C South Padre Island, TX 78597-7071 | http://SANDDOLLAR-REALTY.COM CONTACT: Jimmy Parker, Owner PHONE: (956) 761-6444 FAX: (956) 761-5610 DESCRIPTION: Real Estate | NAICS: 5312,7211,5313 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Circle K</u> 5000 Padre Blvd South Padre Island, TX 78597-7339 | http://CIRCLEK.COM CONTACT: Elsa Ramirez, Site Manager PHONE: (956) 772-9003 DESCRIPTION: Convenience Stores | NAICS: 4451,4451,4471,4471 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Clayton's Beach Bar & Grill</u> 6900 Padre Blvd South Padre Island, TX 78597-7741 | PHONE: (956) 761-5900 DESCRIPTION: Limited-service Restaurant | NAICS: 7225,7224 SALES: Less than \$500,000 # OF EMPLOYEES: 10 - 19 |
| <u>Clayton's Resort</u> 6900 Padre Blvd South Padre Island, TX 78597-7741 | PHONE: (956) 761-2344 DESCRIPTION: Resorts | NAICS: 7211 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Coastal Current</u> 102 E Swordfish St # E South Padre Island, TX 78597 | CONTACT: George Cox, Manager PHONE: (956) 761-9341 FAX: (956) 761-1436 DESCRIPTION: Newspapers (publishers/mfrs) | NAICS: 5111 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Coastal Lifestyles</u> | http://VACATIONPADRE.COM | NAICS: 5312 |

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| 5312 Padre Blvd # C South Padre Island, TX 78597-7524 | CONTACT: Arnie Creinin, President PHONE: (956) 761-8902 FAX: (956) 761-2284 DESCRIPTION: Rental Agencies | SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Coconuts</u> 2301 Laguna Blvd South Padre Island, TX 78597-6952 | http://COCONUTSSPI.COM CONTACT: Jack Salander, Owner PHONE: (956) 761-4218 DESCRIPTION: Night Clubs | NAICS: 7224,4541 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Comfort Suites</u> 912 Padre Blvd South Padre Island, TX 78597-6607 | http://COMFORTSUITES.COM CONTACT: Sandra Villasenor, General Mgr PHONE: (956) 772-9020 FAX: (956) 772-9022 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Contract Service & Supply Inc</u> 109 W Retama St South Padre Island, TX 78597-7109 | CONTACT: Thomas Krzywonski, Owner PHONE: (956) 542-2665 FAX: (956) 761-7788 DESCRIPTION: Air Conditioning Contractors & Systems | NAICS: 2382,4237 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Corpsol</u> 222 W Esperanza St South Padre Island, TX 78597 | PHONE: (956) 433-5673 DESCRIPTION: Nonclassified Establishments | NAICS: 9999 # OF EMPLOYEES: N/A |
| <u>Cvs/pharmacy</u> 1500 Padre Blvd South Padre Island, TX 78597-6726 | http://CVS.COM CONTACT: Osiel Delacruz, Site Manager PHONE: (956) 761-3476 DESCRIPTION: Pharmacies | NAICS: 4461,4529,4461,4461 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>D Pizza Joint</u> 2413 Padre Blvd South Padre Island, TX 78597-6927 | CONTACT: Allen Sularz, Owner PHONE: (956) 761-7995 DESCRIPTION: Pizza | NAICS: 7225,7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |

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| <u>Daddy's Seafood & Creole Ktchn</u> 3409 Padre Blvd South Padre Island, TX 78597-7139 | http://DADDYSRESTAURANT.COM CONTACT: Cameron Salazar, Owner PHONE: (956) 761-1975 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Dairy Queen</u> <u>2401 Padre Blvd</u> <u>South Padre Island, TX</u> <u>78597-6927</u> - | http://DAIRYQUEEN.COM PHONE: (956) 761-1072 FAX: (956) 761-4117 DESCRIPTION: Ice Cream Parlors | NAICS: 7225,7225,7225 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>Del Mar S P I Llc</u> 6700 Padre Blvd South Padre Island, TX 78597-7718 | PHONE: (956) 761-4545 DESCRIPTION: Restaurants | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Denny's</u> 1100 Padre Blvd South Padre Island, TX 78597-6616 | CONTACT: George Chacanuga, Site Manager PHONE: (956) 761-1887 DESCRIPTION: Full-service Restaurant | NAICS: 7225,7225 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Destination South Padre Resort</u> South Padre Island, TX 78597 | PHONE: (956) 761-8851 DESCRIPTION: Resorts | NAICS: 7211 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Dolce Roma</u> 4200 Padre Blvd South Padre Island, TX 78597-7348 | CONTACT: Sofia Ceneri, Owner PHONE: (956) 761-1198 DESCRIPTION: Ice Cream Parlors | NAICS: 7225,7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Econo Lodge</u> 3913 Padre Blvd South Padre Island, TX 78597-7229 | http://ECONOLODGE.COM CONTACT: Kris Patel, General Mgr PHONE: (956) 761-7831 FAX: (956) 761-2033 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Emerald Beach Cond</u> 906 Padre Blvd | CONTACT: Coty Ornales, Manager PHONE: (956) 761-1767 | NAICS: 5312 SALES: \$500,000 - \$1 Million |

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| South Padre Island, TX 78597-6600 | FAX: (956) 761-1767 DESCRIPTION: Real Estate | # OF EMPLOYEES: 5 - 9 |
| <u>First National Bank-s Padre Is</u> 709 Padre Blvd South Padre Island, TX 78597-6647 | http://FNBSPI.COM CONTACT: Diana Cavazos, Hr Executive PHONE: (956) 761-7958 FAX: (956) 761-5921 DESCRIPTION: Banks | NAICS: 5221 # OF EMPLOYEES: 20 - 49 |
| <u>Franke Inc Realtors</u> 8605 Padre Blvd South Padre Island, TX 78597-7728 | http://FRANKEREALTORS.COM CONTACT: Dennis Franke, President PHONE: (956) 761-2606 DESCRIPTION: Real Estate | NAICS: 5312,5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Friends Of Animal Rescue</u> 2013 Padre Blvd South Padre Island, TX 78597-6829 | PHONE: (956) 772-1171 DESCRIPTION: Animal Shelters | NAICS: 8129 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Furcron Property Management Co</u> 4800 Padre Blvd South Padre Island, TX 78597-7426 | http://FURCRON.COM CONTACT: Mickey Furcron, Owner PHONE: (956) 761-6961 FAX: (956) 761-6966 DESCRIPTION: Real Estate Management | NAICS: 5312,5313,5312 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Furcron Realtors Inc</u> 4800 Padre Blvd South Padre Island, TX 78597-7426 | http://FURCRONREALTORS.COM CONTACT: Mickey Furcron, Owner PHONE: (956) 761-6961 FAX: (956) 761-6966 DESCRIPTION: Real Estate | NAICS: 5312,5312,5313,5313 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Gabriella's Italian & Seafood</u> 700 Padre Blvd # G | http://GABRIELLASSPI.COM CONTACT: Duane Muhs, Manager | NAICS: 7225 SALES: \$500,000 - \$1 Million |

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| South Padre Island, TX 78597-6614 | PHONE: (956) 761-6111 DESCRIPTION: Full-service Restaurant | # OF EMPLOYEES: 20 - 49 |
| <u>Galleon Bay</u> <u>Condominium Share</u> 4901 Laguna Blvd South Padre Island, TX 78597-7019 | PHONE: (956) 761-1188 FAX: (956) 761-4757 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Grapevine Cafe</u> 100 E Swordfish St South Padre Island, TX 78597-6975 | CONTACT: Mikey Demado, Owner PHONE: (956) 761-8463 FAX: (956) 761-3126 DESCRIPTION: Limited-service Restaurant | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 10 - 19 |
| <u>Hilton Garden Inn</u> 7010 Padre Blvd South Padre Island, TX 78597-7726 | CONTACT: Duvin Maldonado, General Mgr PHONE: (956) 761-8700 DESCRIPTION: Hotels & Motels | NAICS: 7211,7211,5311,7139 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 50 - 99 |
| <u>Hilton Garden Inn-south</u> <u>Padre</u> 7010 Padre Blvd South Padre Island, TX 78597-7726 | PHONE: (956) 761-2264 DESCRIPTION: Hotels & Motels | NAICS: 7211,7223 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 50 - 99 |
| <u>Hinojosa Engineering</u> 109 E Verna Jean Dr South Padre Island, TX 78597 | PHONE: (956) 772-9330 DESCRIPTION: General Contractors | NAICS: 2361,5413 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Holiday Inn Express</u> 6502 Padre Blvd South Padre Island, TX 78597-7710 | CONTACT: Mike Bhatka, Owner PHONE: (956) 772-2222 FAX: (956) 761-8845 DESCRIPTION: Hotels & Motels | NAICS: 7211,2361 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Ibc Bank</u> 911 Padre Blvd South Padre Island, TX 78597-6608 | CONTACT: Enevelia Dena, Site Manager PHONE: (956) 761-6156 DESCRIPTION: Banks | NAICS: 5221 # OF EMPLOYEES: 5 - 9 |
| <u>Inn At South Padre</u> 1709 Padre Blvd | CONTACT: Pam Romer, General Mgr PHONE: (956) 772-1737 | NAICS: 7211 SALES: \$1 Million - \$2.5 Million |

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| South Padre Island, TX 78597-6701 | FAX: (956) 761-5520 DESCRIPTION: Hotels & Motels | # OF EMPLOYEES: 20 - 49 |
| <u>Inverness At South Padre Condo</u> 5600 Gulf Blvd South Padre Island, TX 78597-7640 | http://ICSMANAGEMENT.COM CONTACT: Phillip Leach, Manager PHONE: (956) 547-9957 FAX: (956) 761-4415 DESCRIPTION: Condominiums | NAICS: 5311,8139 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 20 - 49 |
| <u>Isla Blanca Park</u> 33174 State Park Road 100 South Padre Island, TX 78597-6409 | http://CO.CAMERON.TX.US/PARKS/INDEX.H CONTACT: Javier Mendez, Director PHONE: (956) 761-5494 DESCRIPTION: Parks | NAICS: 7121,7212 # OF EMPLOYEES: 20 - 49 |
| <u>Isla Gato Corp</u> PO Box 2528 South Padre Island, TX 78597-2528 | PHONE: (956) 943-3189 DESCRIPTION: Bars | NAICS: 7224 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Isla Grand Beach Resort</u> 500 Padre Blvd South Padre Island, TX 78597-6615 | CONTACT: Irene Zecca, Hr Executive PHONE: (956) 761-6511 FAX: (956) 761-1602 DESCRIPTION: Resorts | NAICS: 7211,7211,5311,7223 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 100 - 499 |
| <u>Isla Tours</u> 1 Padre Blvd South Padre Island, TX 78597-6402 | http://ISLATOURS.COM CONTACT: Mona Murphy, Owner PHONE: (956) 761-4752 DESCRIPTION: Travel Agencies & Bureaus | NAICS: 5615 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Isla World Headquarters</u> 2805 Padre Blvd South Padre Island, TX 78597-6935 | CONTACT: Vern Lewis, Owner PHONE: (956) 761-4090 FAX: (956) 761-4091 DESCRIPTION: Clothing-retail | NAICS: 4481 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Island Baptist Church</u> | http://ISLANDBAPTIST.ORG | NAICS: 8131 |

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| 107 E Mesquite St South Padre Island, TX 78597-7142 | CONTACT: Bill Waddell, Religious Dir PHONE: (956) 761-5029 FAX: (956) 761-2842 DESCRIPTION: Churches | # OF EMPLOYEES: 10 - 19 |
| <u>Island Equestrian Ctr</u> Padre Blvd South Padre Island, TX 78597 | http://HORSESONTHEBEACH.COM CONTACT: Doyle Wells, Owner PHONE: (956) 761-4677 FAX: (956) 761-4646 DESCRIPTION: Stables | NAICS: 7139 SALES: Less than \$500,000 # OF EMPLOYEES: 10 - 19 |
| <u>Island Inn</u> 3813 Padre Blvd South Padre Island, TX 78597-7009 | http://ISLANDINN.COM CONTACT: Mike Patel, Manager PHONE: (956) 761-8500 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Island Native Surf House</u> 700 Padre Blvd # A South Padre Island, TX 78597-6652 | http://ISLANDNATIVESURF.COM CONTACT: Kerry Schwartz, Owner PHONE: (956) 772-7100 DESCRIPTION: Sporting Goods-retail | NAICS: 4511 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Island Services</u> 1700 Padre Blvd South Padre Island, TX 78597-6730 | http://MYPADRE.COM CONTACT: Robert Pinkerton, Owner PHONE: (956) 761-6418 FAX: (956) 761-4251 DESCRIPTION: Real Estate | NAICS: 5312,5311,9999 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Islands Ace Hardware</u> 2213 Padre Blvd South Padre Island, TX 78597-6833 | PHONE: (956) 761-2670 FAX: (956) 761-1484 DESCRIPTION: Hardware-retail | NAICS: 4441,4441,4541 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Isola Bella Condominium Assn</u> 1300 Gulf Blvd South Padre Island, TX | CONTACT: Oselia Morales, Manager PHONE: (956) 761-6333 FAX: (956) 761-6303 | NAICS: 8139 # OF EMPLOYEES: 5 - 9 |

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| 78597-6715 | DESCRIPTION: Associations | |
| <u>Jakes Shack</u> 400 Padre Blvd South Padre Island, TX 78597-6617 | PHONE: (956) 761-4460 DESCRIPTION: Limited-service Restaurant | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Jaws</u> 815 Padre Blvd South Padre Island, TX 78597-6610 | PHONE: (956) 772-9750 DESCRIPTION: Clothing-retail | NAICS: 4481,4481 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Jim Pier A M</u> 209 W Whiting St South Padre Island, TX 78597-6920 | PHONE: (956) 772-9977 DESCRIPTION: Radio Stations & Broadcasting Companies | NAICS: 5151,7139 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Jim's Beach Svc</u> 108 W Campeche St South Padre Island, TX 78597-7023 | http://JIMSBEACHSERVICE.COM CONTACT: Jim Maham, Owner PHONE: (956) 761-2130 DESCRIPTION: Beach Supplies | NAICS: 4481 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Jim's Pier</u> 209 W Whiting St South Padre Island, TX 78597-6920 | http://FISHERMANSPIER.COM CONTACT: Wayne Wilhite, Owner PHONE: (956) 761-2865 FAX: (956) 761-2888 DESCRIPTION: Guide Service | NAICS: 7139 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Karla's Katering</u> 5009 Padre Blvd South Padre Island, TX 78597-7443 | PHONE: (956) 761-1644 DESCRIPTION: Caterers | NAICS: 7223 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Kellys Irish Pub</u> 101 E Morningside Dr South Padre Island, TX 78597-7602 | CONTACT: Scott Finney, Owner PHONE: (956) 433-5380 DESCRIPTION: Bars | NAICS: 7224 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Kfc</u> 3201 Padre Blvd | http://KFC.COM CONTACT: Daniel Tamez, Site Manager | NAICS: 7225,7225,4541 SALES: \$500,000 - \$1 Million |

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| South Padre Island, TX 78597-7038 | PHONE: (956) 761-2392 FAX: (956) 761-2392 DESCRIPTION: Limited-service Restaurant | # OF EMPLOYEES: 20 - 49 |
| <u>Kohnami Restaurant</u> 410 Padre Blvd # 108 South Padre Island, TX 78597-6609 | CONTACT: Jongmi Park, Owner PHONE: (956) 761-2446 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>L C White Inc</u> 1000 Padre Blvd # K1 South Padre Island, TX 78597-6604 | http://GOSOUTHPADREISLAND.COM CONTACT: Larry White, Owner PHONE: (956) 761-5704 FAX: (956) 761-1537 DESCRIPTION: Real Estate | NAICS: 5312 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>La Copa Inn & Suites</u> 350 Padre Blvd South Padre Island, TX 78597-6501 | http://LACOPAINN.COM CONTACT: Nubia Zarrate, General Mgr PHONE: (956) 761-6000 FAX: (956) 761-6013 DESCRIPTION: Hotels & Motels | NAICS: 7211,7211,5311,7139 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 20 - 49 |
| <u>La Jaiba Seafood Rstrnt & Lng</u> 2001 Padre Blvd South Padre Island, TX 78597-6829 | CONTACT: Henry Barriantes, Manager PHONE: (956) 761-9878 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>La Quinta Inn</u> 7000 Padre Blvd South Padre Island, TX 78597-7726 | CONTACT: Billy Schrank, General Mgr PHONE: (956) 772-7000 FAX: (956) 772-9311 DESCRIPTION: Hotels & Motels | NAICS: 7211,7211,5311,7139 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Laguna Madre Christian Academy</u> 107 E Mesquite St South Padre Island, TX 78597-7142 | PHONE: (956) 761-3372 FAX: (956) 943-4462 DESCRIPTION: Religious Schools | NAICS: 6111,6111 # OF EMPLOYEES: 5 - 9 |
| <u>Latitude 26 Vacation</u> | http://LATITUDE26.COM | NAICS: 5311,4541 |

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| <u>Rentals</u> 1800 Padre Blvd South Padre Island, TX 78597-6815 | CONTACT: Robin Athanis, Manager PHONE: (956) 761-9926 FAX: (956) 761-9928 DESCRIPTION: Condominiums | SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 20 - 49 |
| <u>Lone Star National Bank</u> 601 Padre Blvd South Padre Island, TX 78597-6649 | http://LONESTARNATIONALBANK.COM CONTACT: Diana Lopez, Site Manager PHONE: (956) 761-1130 DESCRIPTION: Banks | NAICS: 5221 # OF EMPLOYEES: 5 - 9 |
| <u>Lorda Corp</u> 1004 Padre Blvd # A1 South Padre Island, TX 78597-6621 | http://LORDA.COM CONTACT: David Suissa, Owner PHONE: (956) 761-5100 FAX: (956) 761-6410 DESCRIPTION: Property Management- commercial | NAICS: 2372,7211,5313 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Louie's Backyard</u> 2305 Laguna Blvd South Padre Island, TX 78597-6952 | CONTACT: Dan Stanton, Owner PHONE: (956) 761-6406 FAX: (956) 761-2105 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 100 - 499 |
| <u>Lynne Tate Real Estate Inc</u> 2200 Padre Blvd South Padre Island, TX 78597-6832 | http://LYNNETATEREALESTATE.COM CONTACT: Lynne Tate, Owner PHONE: (956) 761-1400 FAX: (956) 761-1805 DESCRIPTION: Real Estate Buyers & Brokers | NAICS: 5313,5312 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>M & D Logistics Inc</u> 102 E Huisache St South Padre Island, TX 78597-7117 | PHONE: (956) 433-5103 DESCRIPTION: Nonclassified Establishments | NAICS: 9999 # OF EMPLOYEES: N/A |
| <u>M & M Beach Wear</u> 3300 Padre Blvd | CONTACT: Amoyal Meshase, Owner PHONE: (956) 761-1221 | NAICS: 4481 SALES: \$1 Million - \$2.5 Million |

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| South Padre Island, TX 78597-7044 | DESCRIPTION: Sportswear-retail | # OF EMPLOYEES: 10 - 19 |
| <u>Marage</u> 904 Padre Blvd South Padre Island, TX 78597-6607 | http://WINGSBEACHWEAR.COM CONTACT: Zeev Tafel, President PHONE: (956) 761-7355 FAX: (956) 761-7245 DESCRIPTION: Swimwear & Accessories-retail | NAICS: 4481 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Marisco's Sabor Del Mar</u> 1817 Padre Blvd South Padre Island, TX 78597-6703 | PHONE: (956) 433-5342 DESCRIPTION: Nonclassified Establishments | NAICS: 9999 # OF EMPLOYEES: N/A |
| <u>Marisol Apartments</u> 1700 Gulf Blvd South Padre Island, TX 78597-6752 | http://MARISOL-SPI.COM CONTACT: Celia Gonzalez, Manager PHONE: (956) 761-1193 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Mc Donald's</u> 908 Padre Blvd South Padre Island, TX 78597-6607 | http://MCDONALDS.COM CONTACT: Juan Martinez, General Mgr PHONE: (956) 761-4999 FAX: (956) 761-3483 DESCRIPTION: Limited-service Restaurant | NAICS: 7225,7225 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Meinco</u> 115 E Kingfish St South Padre Island, TX 78597-7011 | PHONE: (956) 761-2998 DESCRIPTION: Drilling & Boring Equip & Supls (whls) | NAICS: 4238 SALES: \$10 Million - \$20 Million # OF EMPLOYEES: 5 - 9 |
| <u>Menalon Inc</u> 1601 Padre Blvd South Padre Island, TX 78597-6729 | PHONE: (956) 761-2722 DESCRIPTION: Nonclassified Establishments | NAICS: 9999 # OF EMPLOYEES: N/A |
| <u>Motel 6</u> 4013 Padre Blvd South Padre Island, TX | http://MOTEL6.COM CONTACT: Norma Diaz, Manager PHONE: (956) 761-7911 | NAICS: 7211,4541 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |

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| 78597-7231 | FAX: (956) 761-6339 DESCRIPTION: Hotels & Motels | |
| <u>National Assn Of Underwater</u> 33256 Pk Rd 100 # 104 South Padre Island, TX 78597-0202 | CONTACT: Tim O'leary, Manager PHONE: (956) 761-7986 FAX: (956) 761-6039 DESCRIPTION: Diving Instruction | NAICS: 6116 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>Ocean Motion</u> 4309 Padre Blvd South Padre Island, TX 78597-7322 | http://OCEAN-MOTION.COM CONTACT: Gabriel Vanounou, Owner PHONE: (956) 761-4055 FAX: (956) 761-6741 DESCRIPTION: Clothing-retail | NAICS: 4481 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>On The Beach</u> 2105 Padre Blvd South Padre Island, TX 78597-6831 | CONTACT: Glenn Mckinlay, Owner PHONE: (956) 761-1194 FAX: (956) 761-4169 DESCRIPTION: Clothing-retail | NAICS: 4481,4481,4481 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>One Source Financial Svc</u> 5800 Padre Blvd # 210 South Padre Island, TX 78597-7647 | CONTACT: James Palumbo, Owner PHONE: (956) 772-9530 DESCRIPTION: Financial Advisory Services | NAICS: 5239,5231 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Orgins Recovery Of Tx Llc</u> 4610 Padre Blvd South Padre Island, TX 78597-7327 | PHONE: (956) 761-2403 DESCRIPTION: Drug Abuse & Addiction Info & Treatment | NAICS: 8133 # OF EMPLOYEES: 5 - 9 |
| <u>Origins Recovery Ctr Of Texas</u> 4405 Padre Blvd | PHONE: (956) 772-1558 DESCRIPTION: Drug Abuse & Addiction Info & Treatment | NAICS: 8133 # OF EMPLOYEES: 5 - 9 |

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| South Padre Island, TX 78597-7324 | | |
| <u>Origins Recovery Ctr Of Texas</u> 4610 Padre Blvd South Padre Island, TX 78597-7327 | http://ORIGINSRECOVERY.COM CONTACT: Ben Levenson, Manager PHONE: (956) 772-9201 FAX: (956) 772-9201 DESCRIPTION: Drug Abuse & Addiction Info & Treatment | NAICS: 8133,8133 # OF EMPLOYEES: 10 - 19 |
| <u>Osprey Fishing Trips</u> 1 Padre Blvd South Padre Island, TX 78597-6402 | http://GD.OSPREYFISHINGTRIPS.COM CONTACT: Phil Calo, Owner PHONE: (956) 761-6655 FAX: (956) 761-7057 DESCRIPTION: Guide Service | NAICS: 7139 SALES: Less than \$500,000 # OF EMPLOYEES: 10 - 19 |
| <u>Oxford Financial Trust</u> 208 W Dolphin St South Padre Island, TX 78597 | CONTACT: James Palumbo, Ceo PHONE: (956) 772-9530 DESCRIPTION: Insurance | NAICS: 5242,5239 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Padre Getaways</u> 3901 Padre Blvd South Padre Island, TX 78597-7229 | http://PADREGETAWAYS.COM CONTACT: Wally Jones, Owner PHONE: (956) 761-8888 DESCRIPTION: Travel Agencies & Bureaus | NAICS: 5615 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Padre Grand Condominiums</u> 2100 Gulf Blvd South Padre Island, TX 78597-6840 | http://SOPADRE.COM CONTACT: Junior Ortiz, Manager PHONE: (956) 761-7290 FAX: (956) 761-4203 DESCRIPTION: Hotels & Motels | NAICS: 7211,5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Padre Island Brewing Co</u> 3400 Padre Blvd South Padre Island, TX | http://PIBREWINGCOMPANY.COM CONTACT: Tony Benson, Owner PHONE: (956) 761-9585 | NAICS: 3121,7225 SALES: \$50 Million - \$100 Million # OF EMPLOYEES: 20 - 49 |

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| 78597-7002 | FAX: (956) 761-9569 DESCRIPTION: Brewers (mfrs) | |
| <u>Padre Island City Finance</u> 4601 Padre Blvd South Padre Island, TX 78597-7325 | http://TOWNSPI.COM CONTACT: Larry Holman, Manager PHONE: (956) 761-6456 FAX: (956) 761-3888 DESCRIPTION: City Government-executive Offices | NAICS: 9399 # OF EMPLOYEES: 10 - 19 |
| <u>Padre Island City Town Office</u> 4501 Padre Blvd South Padre Island, TX 78597-7326 | PHONE: (956) 761-6456 DESCRIPTION: Government Offices-city, Village & Twp | NAICS: 9399 # OF EMPLOYEES: 5 - 9 |
| <u>Padre South Hotel</u> 1500 Gulf Blvd South Padre Island, TX 78597-6738 | http://PADRESOUTH.COM CONTACT: Lisa Leal, General Mgr PHONE: (956) 761-4951 FAX: (956) 761-4954 DESCRIPTION: Hotels & Motels | NAICS: 7211,5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Padre Ritaville</u> 4001 Padre Blvd South Padre Island, TX 78597-7231 | CONTACT: Cathy Laftery, Owner PHONE: (956) 761-7482 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Palm Street Pier</u> 204 W Palm St South Padre Island, TX 78597-6717 | http://PALMSTREETPIER.COM CONTACT: Jaime Hernandez, Manager PHONE: (956) 772-7256 FAX: (956) 943-4516 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 20 - 49 |
| <u>Palms Resort & Cafe On The Bch</u> 3616 Gulf Blvd | http://PALMSRESORTCAFE.COM CONTACT: Katherine Nowak, General Mgr | NAICS: 7211,7225 SALES: \$1 Million - \$2.5 Million |

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| South Padre Island, TX 78597-7006 | PHONE: (956) 761-1316 FAX: (956) 761-1310 DESCRIPTION: Hotels & Motels | # OF EMPLOYEES: 20 - 49 |
| <u>Parrot Eyes Water Sports</u> 5801 Padre Blvd South Padre Island, TX 78597-7635 | CONTACT: Ron Guillot, Owner PHONE: (956) 761-9457 FAX: (956) 761-8660 DESCRIPTION: Amusement & Recreation Nec | NAICS: 7139 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Paulino's Italian Restaurant</u> 4600 Padre Blvd South Padre Island, TX 78597-7327 | PHONE: (956) 761-4000 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Pearl South Padre</u> 310 Padre Blvd South Padre Island, TX 78597-6501 | http://PEARLSOUTHADRE.COM CONTACT: Anna Guzman, Hr Executive PHONE: (956) 761-6551 FAX: (956) 761-6570 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$10 Million - \$20 Million # OF EMPLOYEES: 100 - 499 |
| <u>Peggy's Tattoos</u> 1600 Padre Blvd South Padre Island, TX 78597-6728 | CONTACT: Sandy Gentry, Owner PHONE: (956) 761-6595 DESCRIPTION: Tattooing | NAICS: 8129 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Peninsula Beach Owners Assn</u> 340 Padre Blvd South Padre Island, TX 78597-6501 | http://PENINSULAIISLAND.COM CONTACT: Carlos A Salinas Val, Director PHONE: (956) 761-3726 DESCRIPTION: Business & Trade Organizations | NAICS: 8139 # OF EMPLOYEES: 20 - 49 |
| <u>Peninsula Island Resort</u> 340 Padre Blvd South Padre Island, TX 78597-6501 | http://PENINSULAIISLANDRESORT.COM CONTACT: Maggie Martinez, Manager PHONE: (956) 524-8011 | NAICS: 7211 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |

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| | DESCRIPTION: Resorts | |
| <u>Pier 19</u> 1 Padre Blvd # 2 South Padre Island, TX 78597-6408 | http://PIER19.US CONTACT: David Friedman, Owner PHONE: (956) 761-7437 DESCRIPTION: Full-service Restaurant | NAICS: 7225,4246 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Pizza Hut</u> 1905 Padre Blvd South Padre Island, TX 78597-6827 | http://PIZZAHUT.COM CONTACT: Joe Lozano, Site Manager PHONE: (956) 761-1361 FAX: (956) 761-5787 DESCRIPTION: Pizza | NAICS: 7225,7225,7225 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Pleasure Island</u> 2600 Padre Blvd South Padre Island, TX 78597-6930 | PHONE: (956) 524-8061 DESCRIPTION: Nonclassified Establishments | NAICS: 9999 # OF EMPLOYEES: N/A |
| <u>Polsky's Pure Platinum Boxing</u> 5508 Padre Blvd South Padre Island, TX 78597-7522 | PHONE: (956) 761-1269 DESCRIPTION: Athletic Organizations | NAICS: 8139,6116 # OF EMPLOYEES: 5 - 9 |
| <u>Print Shop</u> 2600 Padre Blvd # R South Padre Island, TX 78597-6930 | CONTACT: Ken Vaughan, Owner PHONE: (956) 761-2679 DESCRIPTION: Printers (mfrs) | NAICS: 3231 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Que Padre</u> 910 Padre Blvd South Padre Island, TX 78597-6607 | CONTACT: Yehuda Azoulay, Owner PHONE: (956) 761-4334 DESCRIPTION: T-shirts-retail | NAICS: 4481 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Ramada Limited</u> 4109 Padre Blvd South Padre Island, TX 78597-7233 | CONTACT: Robert Weiss, Owner PHONE: (956) 761-4097 FAX: (956) 761-4097 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>Re/max First Choice</u> 3401 Padre Blvd # A | http://SELLINGSPI.COM CONTACT: Joan M Massie, Manager | NAICS: 5312 SALES: \$1 Million - \$2.5 Million |

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| South Padre Island, TX 78597-7125 | PHONE: (956) 761-7676 FAX: (956) 761-6855 DESCRIPTION: Real Estate | # OF EMPLOYEES: 5 - 9 |
| <u>Realty Executives Of Spi</u> 410 Padre Blvd # 105 South Padre Island, TX 78597-6609 | http://SOUTHPADREPROPERTY.COM CONTACT: Roman Esparza, Owner PHONE: (956) 761-1500 FAX: (956) 761-1507 DESCRIPTION: Real Estate | NAICS: 5312 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Recoil Inc</u> 106 W Marlin St South Padre Island, TX 78597 | PHONE: (956) 761-8588 FAX: (956) 761-8588 DESCRIPTION: Nonclassified Establishments | NAICS: 9999 # OF EMPLOYEES: 20 - 49 |
| <u>Reservico I S L D</u> South Padre Island, TX 78597 | PHONE: (956) 761-1306 DESCRIPTION: Nonclassified Establishments | NAICS: 9999 # OF EMPLOYEES: N/A |
| <u>Robert M Goodman Assoc Inc</u> 3100 Padre Blvd South Padre Island, TX 78597-7035 | http://PIRENTALS.COM CONTACT: Tom Goodman, President PHONE: (956) 761-7801 DESCRIPTION: Investments | NAICS: 5239,5231,5313,9999 SALES: \$10 Million - \$20 Million # OF EMPLOYEES: 20 - 49 |
| <u>Royale Beach & Tennis Club</u> 400 Padre Blvd South Padre Island, TX 78597-6617 | CONTACT: Shirley Colglazier, Manager PHONE: (956) 761-1167 FAX: (956) 761-5808 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 20 - 49 |
| <u>Saida Recreation Assn</u> 400 Padre Blvd South Padre Island, TX 78597-6617 | PHONE: (956) 761-5747 DESCRIPTION: Associations | NAICS: 8139 # OF EMPLOYEES: 5 - 9 |
| <u>Sanddollar Realty</u> 3311 Padre Blvd # C | http://SANDDOLLAR-REALTY.COM CONTACT: James Parker, Owner | NAICS: 5311 SALES: \$1 Million - \$2.5 Million |

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| <u>South Padre Island, TX</u> <u>78597-7071</u> - - | PHONE: (956) 761-7857 FAX: (956) 761-5610 DESCRIPTION: Condominiums | # OF EMPLOYEES: 5 - 9 |
| <u>Sangria Condominiums</u> 1400 Gulf Blvd South Padre Island, TX 78597-6736 | CONTACT: Ruben Flores, Manager PHONE: (956) 761-2141 FAX: (956) 761-2158 DESCRIPTION: Hotels & Motels | NAICS: 7211,7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Sapphire Condominiums</u> 310A Padre Blvd South Padre Island, TX 78597-6507 | http://SAPPHIRESOUTHPADRE.COM PHONE: (956) 761-6552 DESCRIPTION: Condominiums | NAICS: 5311,7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Schlitterbahn Beach</u> <u>Resort</u> 100 Padre Blvd South Padre Island, TX 78597-6505 | PHONE: (956) 433-5888 DESCRIPTION: Resorts | NAICS: 7211 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Schlitterbahn Beach</u> <u>Waterpark</u> 33261 State Park Road 100 South Padre Island, TX 78597-6410 | http://SCHLITTERBAHN.COM CONTACT: Jeff Henry, Owner PHONE: (956) 772-7873 FAX: (956) 761-3960 DESCRIPTION: Water Parks | NAICS: 7131 SALES: \$20 Million - \$50 Million # OF EMPLOYEES: 100 - 499 |
| <u>Sea Ranch Marina</u> 33256 State Park Road 100 #101 South Padre Island, TX 78597-0202 | http://SEARANCHMARINA.NET CONTACT: Cliff Kirmss, Manager PHONE: (956) 761-7777 FAX: (956) 761-4444 DESCRIPTION: Boat Lifts (mfrs) | NAICS: 3339,9299 # OF EMPLOYEES: 5 - 9 |
| <u>Sea Ranch Restaurant</u> 33256 State Park Road 100 #101 | CONTACT: Dave Freidman, Owner PHONE: (956) 761-1314 | NAICS: 7225 SALES: Less than \$500,000 |

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| South Padre Island, TX 78597-0202 | FAX: (956) 761-1616 DESCRIPTION: Full-service Restaurant | # OF EMPLOYEES: 5 - 9 |
| <u>Sea Ranch Restaurant- bar</u> 33330 State Park Road 100 South Padre Island, TX 78597-6412 | CONTACT: Dave Freidman, Owner PHONE: (956) 761-1314 FAX: (956) 761-1616 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 50 - 99 |
| <u>Sea Vista Condominiums</u> 110 Padre Blvd South Padre Island, TX 78597-6505 | http://SEAVISTACONDOS.COM CONTACT: Juan Ballesteros, Manager PHONE: (956) 761-5526 FAX: (956) 761-5529 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Seabreeze Beach Resort Condos</u> 5400 Gulf Blvd South Padre Island, TX 78597-7445 | http://SEABREEZEBEACHRESORT.COM CONTACT: Virginia Ramos, Manager PHONE: (956) 761-1541 FAX: (956) 761-1551 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Service 24 Condominiums Rental</u> 2100 Padre Blvd South Padre Island, TX 78597-6828 | http://SERVICE24.COM CONTACT: Lupe Hernandez, Owner PHONE: (956) 761-1487 FAX: (956) 761-9360 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Shores A Waterfront Community</u> 8605 Padre Blvd South Padre Island, TX 78597-7728 | http://FRANKEREALTORS.COM CONTACT: Richard Franke, Owner PHONE: (956) 545-0296 DESCRIPTION: Real Estate | NAICS: 5312,5311 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |

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| <p><u>Shrimp Haus Restaurant</u> 33261 State Park Road 100 South Padre Island, TX 78597-6410</p> | <p>http://SHRIMPHAUS.COM CONTACT: Jimmy Hawkinson, General Mgr PHONE: (956) 772-9772 DESCRIPTION: Full-service Restaurant</p> | <p>NAICS: 7225 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 20 - 49</p> |
| <p><u>Sisters Trading Co</u> 410 Padre Blvd # Q South Padre Island, TX 78597-6603</p> | <p>http://SISTERSINTERIORS.COM CONTACT: Ann Hunsaker, Owner PHONE: (956) 761-2896 FAX: (956) 761-2899 DESCRIPTION: Interior Decorators Design & Consultants</p> | <p>NAICS: 5414 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9</p> |
| <p><u>South Padre Bank</u> 2701 Padre Blvd South Padre Island, TX 78597-6919</p> | <p>CONTACT: John C Reed, President PHONE: (956) 761-8589 FAX: (956) 761-8584 DESCRIPTION: Banks</p> | <p>NAICS: 5221 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19</p> |
| <p><u>South Padre Beach Houses Inc</u> 3800 Padre Blvd South Padre Island, TX 78597-7004</p> | <p>http://SOPADRRENTALS.COM CONTACT: John Carlson, Owner PHONE: (956) 761-6554 DESCRIPTION: Condominiums</p> | <p>NAICS: 5311 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19</p> |
| <p><u>South Padre Coastal Real Est</u> 3800 Padre Blvd South Padre Island, TX 78597-7004</p> | <p>http://SOPADRRENTALS.COM CONTACT: Jay Carlson, Owner PHONE: (956) 761-6616 FAX: (956) 761-7829 DESCRIPTION: Real Estate</p> | <p>NAICS: 5312,5311 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 20 - 49</p> |
| <p><u>South Padre Island Bldng Dept</u> 4601 Padre Blvd South Padre Island, TX 78597-7325</p> | <p>http://TOWNSPI.COM CONTACT: Jay Mitchim, Manager PHONE: (956) 761-1025</p> | <p>NAICS: 5413,2373 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19</p> |

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| | FAX: (956) 761-3898 DESCRIPTION: Building Inspection Service | |
| <u>South Padre Island City Office</u> 3401 Padre Blvd # C South Padre Island, TX 78597-7125 | CONTACT: Joni Clarke, Manager PHONE: (956) 761-2447 DESCRIPTION: Government Offices-city, Village & Twp | NAICS: 9399 # OF EMPLOYEES: 5 - 9 |
| <u>South Padre Island Convention</u> 600 Padre Blvd South Padre Island, TX 78597-6613 | http://SOPADRE.COM CONTACT: Dan Quandt, Exec Director PHONE: (956) 761-6433 DESCRIPTION: Government Offices-city, Village & Twp | NAICS: 9399 # OF EMPLOYEES: 5 - 9 |
| <u>South Padre Island Convention</u> 7355 Padre Blvd South Padre Island, TX 78597-7720 | http://SOPADRE.COM CONTACT: Sylvia Soliz, Director PHONE: (956) 761-3000 FAX: (956) 761-3024 DESCRIPTION: Convention Information Bureaus | NAICS: 5615,9399 # OF EMPLOYEES: 10 - 19 |
| <u>South Padre Island Fire Dept</u> 4501 Padre Blvd South Padre Island, TX 78597-7326 | http://TOWNSPI.COM CONTACT: Barney Baskett, Manager PHONE: (956) 761-5454 DESCRIPTION: Fire Departments | NAICS: 9399 # OF EMPLOYEES: 20 - 49 |
| <u>South Padre Island Fire Sta 1</u> 106 W Retama St South Padre Island, TX 78597 | PHONE: (956) 761-2819 DESCRIPTION: Fire Departments | NAICS: 9399 # OF EMPLOYEES: 20 - 49 |
| <u>South Padre Island Police Dept</u> 4405 Padre Blvd South Padre Island, TX | PHONE: (956) 761-5454 DESCRIPTION: Police Departments | NAICS: 9399 # OF EMPLOYEES: 20 - 49 |

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| 78597-7324 | | |
| <u>South Padre Koa</u> 1 Padre Blvd South Padre Island, TX 78597-6402 | CONTACT: Tom Brooks, Manager PHONE: (956) 761-5665 FAX: (956) 761-8851 DESCRIPTION: Campgrounds | NAICS: 7212,7212 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>South Padre Resort Rentals</u> 1000 Padre Blvd South Padre Island, TX 78597-6604 | http://GOSOUTHPADREISLAND.COM CONTACT: Larry White, Owner PHONE: (956) 761-6818 FAX: (956) 761-1537 DESCRIPTION: Condominiums | NAICS: 5311,7211,5312 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Southern Wave</u> 201 W Pike St South Padre Island, TX 78597 | PHONE: (956) 772-7245 DESCRIPTION: Nonclassified Establishments | NAICS: 9999 # OF EMPLOYEES: N/A |
| <u>Spi Clinic</u> 3808 Padre Blvd South Padre Island, TX 78597-7004 | PHONE: (956) 761-3996 DESCRIPTION: Clinics | NAICS: 6214 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Spi Cuisine Llc</u> 1004 Padre Blvd South Padre Island, TX 78597-6605 | PHONE: (956) 433-5570 DESCRIPTION: Restaurant Management | NAICS: 7223 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Steamers</u> 202 W Whiting St South Padre Island, TX 78597-6966 | CONTACT: Wayne Whilte, Owner PHONE: (956) 772-9777 DESCRIPTION: Limited-service Restaurant | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Stripes</u> 4112 Padre Blvd South Padre Island, TX 78597-7232 | http://VALERO.COM PHONE: (956) 761-1825 DESCRIPTION: Convenience Stores | NAICS: 4451,4471,4452 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Stripes</u> 2000 Padre Blvd | http://STRIPESSTORES.COM CONTACT: Anna Cantu, Site Manager | NAICS: 4451,7225,4451,4471 SALES: \$1 Million - \$2.5 Million |

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| South Padre Island, TX 78597-6800 | PHONE: (956) 761-7507 DESCRIPTION: Convenience Stores | # OF EMPLOYEES: 5 - 9 |
| <u>Stripes</u> 331 Padre Blvd South Padre Island, TX 78597-6502 | http://SUSSER.COM CONTACT: Jerry Gonzalez, Site Manager PHONE: (956) 761-1244 FAX: (956) 761-4770 DESCRIPTION: Convenience Stores | NAICS: 4451,4451,4471,4452 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Stripes</u> 2913 Padre Blvd South Padre Island, TX 78597-7032 | http://VALERO.COM CONTACT: Maria Mireles, Site Manager PHONE: (956) 761-5811 DESCRIPTION: Convenience Stores | NAICS: 4451,4451,4471,4452 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Subway</u> 410 Padre Blvd South Padre Island, TX 78597-6603 | PHONE: (956) 772-1024 DESCRIPTION: Restaurants | NAICS: 7225,7225,7225,7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Subway</u> 2100 Padre Blvd # 5 South Padre Island, TX 78597-6836 | CONTACT: Frances Ocegüera, Site Manager PHONE: (956) 761-6700 DESCRIPTION: Limited-service Restaurant | NAICS: 7225,7225,7225,7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Suites At Sunchase An Ascend</u> 1004 Padre Blvd South Padre Island, TX 78597-6605 | CONTACT: David Suissa, Manager PHONE: (956) 761-7711 FAX: (956) 761-4371 DESCRIPTION: Hotels & Motels | NAICS: 7211,7139,5182 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Sunchase Beachfront Condos</u> 1010 Padre Blvd South Padre Island, TX 78597-6605 | http://SUNCHASEBEACHFRONTCONDOS.COM CONTACT: Raul Lopez, Manager PHONE: (956) 761-1660 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$5 Million - \$10 Million # OF EMPLOYEES: 20 - 49 |
| <u>Sunglass Forum</u> 1004 Padre Blvd | CONTACT: Jorge Rodriguez, Owner PHONE: (956) 772-9304 | NAICS: 4461 SALES: \$500,000 - \$1 Million |

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| South Padre Island, TX 78597-6605 | DESCRIPTION: Sunglasses & Sun Goggles | # OF EMPLOYEES: 5 - 9 |
| <u>Suntide Ii</u> 4400 Gulf Blvd South Padre Island, TX 78597-7316 | http://SUNTIDEII.COM CONTACT: Aurora Cruz, Manager PHONE: (956) 761-4959 DESCRIPTION: Condominiums | NAICS: 5311,7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Suntide Iii</u> 3000 Gulf Blvd South Padre Island, TX 78597-7045 | http://SUNTIDEIII.COM CONTACT: Mary Helen, Manager PHONE: (956) 761-1307 FAX: (956) 761-1506 DESCRIPTION: Condominiums | NAICS: 5311 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Super 8</u> 4205 Padre Blvd South Padre Island, TX 78597-7328 | CONTACT: Josh Patel, Manager PHONE: (956) 761-6300 FAX: (956) 761-6083 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Surf Motel & Beach Bar</u> 2612 Gulf Blvd South Padre Island, TX 78597-6940 | CONTACT: Anil Wadwahni, General Mgr PHONE: (956) 761-2831 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Surf's Up</u> 4309 Padre Blvd South Padre Island, TX 78597-7322 | CONTACT: Gabriel Vanounou, Owner PHONE: (956) 761-5340 FAX: (956) 761-6741 DESCRIPTION: Sporting Goods-retail | NAICS: 4511 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Ted's Restaurant</u> 5717 Padre Blvd South Padre Island, TX 78597-7633 | CONTACT: Karen Braaten, Owner PHONE: (956) 761-5327 DESCRIPTION: Limited-service Restaurant | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Tiki The Condominium Hotel</u> 6608 Padre Blvd South Padre Island, TX 78597-7711 | CONTACT: Stephen Andrews, Owner PHONE: (956) 761-2694 FAX: (956) 761-7538 | NAICS: 7211,5311 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |

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| | DESCRIPTION: Hotels & Motels | |
| <u>Tom & Jerry's Inc</u> 3212 Padre Blvd South Padre Island, TX 78597-7037 | http://SPADRE.COM CONTACT: Ken Scales, Site Manager PHONE: (956) 761-8999 FAX: (956) 761-8998 DESCRIPTION: Full-service Restaurant | NAICS: 7225 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Travelodge</u> 6200 Padre Blvd South Padre Island, TX 78597-7703 | CONTACT: Monica Garza, General Mgr PHONE: (956) 761-4744 FAX: (956) 761-3144 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Troy Giles Realty</u> 5813 Padre Blvd South Padre Island, TX 78597-7635 | http://SEESOUTHPADRELISTINGS.COM CONTACT: Troy Giles, Owner PHONE: (956) 761-5831 FAX: (956) 761-6080 DESCRIPTION: Real Estate | NAICS: 5312,5313 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 10 - 19 |
| <u>Tuesday Morning</u> 410 Padre Blvd # 110 South Padre Island, TX 78597-6609 | http://TUESDAYMORNING.COM CONTACT: Carmen Reyes, Site Manager PHONE: (956) 761-2916 DESCRIPTION: Gift Shops | NAICS: 4532 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 5 - 9 |
| <u>Uchi Restaurant</u> <u>2300 Padre Blvd</u> <u>South Padre Island, TX</u> <u>78597-6834</u> | PHONE: (956) 772-9900 DESCRIPTION: Limited-service Restaurant | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Us Coast Guard</u> South Padre Island, TX 78597 | PHONE: (956) 761-2668 DESCRIPTION: Federal Government-national Security | NAICS: 9199 # OF EMPLOYEES: 20 - 49 |
| <u>Us Coast Guard</u> 1 Wallace Reed Rd South Padre Island, TX 78597-6497 | http://USCGBOATING.ORG/DEFAULT.ASPX CONTACT: Tom Botzenhart, Manager PHONE: (956) 364-7400 FAX: (956) 364-7402 | NAICS: 9199 # OF EMPLOYEES: 20 - 49 |

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| | DESCRIPTION: Federal Government-public Order & Safety | |
| <u>Wanna Wanna Inn</u> 5100 Gulf Blvd South Padre Island, TX 78597-7440 | http://WANNAWANNA.COM CONTACT: Pennie Hutchins, Owner PHONE: (956) 761-7677 FAX: (956) 761-2367 DESCRIPTION: Hotels & Motels | NAICS: 7211 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>Wanna-wanna Beach Bar & Grill</u> 5100 Gulf Blvd South Padre Island, TX 78597-7440 | http://WANNAWANNA.COM PHONE: (956) 761-7600 DESCRIPTION: Limited-service Restaurant | NAICS: 7225,7224 SALES: Less than \$500,000 # OF EMPLOYEES: 10 - 19 |
| <u>Wells Fargo Bank</u> 550 Padre Blvd South Padre Island, TX 78597-6615 | PHONE: (956) 761-8606 DESCRIPTION: Banks | NAICS: 5221 # OF EMPLOYEES: 10 - 19 |
| <u>Wells Fargo Bank</u> 5550 Padre Blvd South Padre Island, TX 78597 | PHONE: (956) 761-5551 DESCRIPTION: Banks | NAICS: 5221 # OF EMPLOYEES: 10 - 19 |
| <u>Wells Real Estate Inc</u> 1515 Padre Blvd South Padre Island, TX 78597-6711 | http://SPIREALESTATE.COM CONTACT: Jim Wells, Owner PHONE: (956) 761-6403 FAX: (956) 761-6751 DESCRIPTION: Real Estate | NAICS: 5312 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |
| <u>Whataburger</u> 3509 Padre Blvd South Padre Island, TX 78597-7074 | http://WHATABURGER.COM CONTACT: Sergio Crouch, Site Manager PHONE: (956) 761-7862 FAX: (956) 761-7037 DESCRIPTION: Limited-service Restaurant | NAICS: 7225,7225 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Windjammers Beach Front Cafe</u> 500 Padre Blvd | CONTACT: David Gracia, Manager PHONE: (956) 761-6511 | NAICS: 7225 SALES: \$1 Million - \$2.5 Million |

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| South Padre Island, TX 78597-6615 | FAX: (956) 761-5397 DESCRIPTION: Full-service Restaurant | # OF EMPLOYEES: 20 - 49 |
| <u>Windwater Hotel & Resort</u> 5701 Padre Blvd South Padre Island, TX 78597-7633 | http://BESTWESTERN.COM CONTACT: Saarang Rama, Manager PHONE: (956) 761-4913 FAX: (956) 761-2719 DESCRIPTION: Hotels & Motels | NAICS: 7211,4541 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>Wingstop</u> 3900 Padre Blvd South Padre Island, TX 78597-7247 | http://WINGSTOP.COM PHONE: (956) 761-1300 DESCRIPTION: Limited-service Restaurant | NAICS: 7225 SALES: \$500,000 - \$1 Million # OF EMPLOYEES: 10 - 19 |
| <u>Xcape Sea Ranch Marina</u> 33256 State Park Road 100 #101 South Padre Island, TX 78597-0202 | http://SEARANCHMARINA.NET CONTACT: Kelley Bryant, Owner PHONE: (956) 772-1386 FAX: (956) 761-1255 DESCRIPTION: Boats-excursions | NAICS: 4872 SALES: \$2.5 Million - \$5 Million # OF EMPLOYEES: 20 - 49 |
| <u>Yummies Coffee Shack</u> 700 Padre Blvd South Padre Island, TX 78597-6653 | CONTACT: Sue Singer, Owner PHONE: (956) 761-2526 DESCRIPTION: Coffee Shops | NAICS: 7225 SALES: Less than \$500,000 # OF EMPLOYEES: 5 - 9 |
| <u>Zeste Gourmet Market & Cafe</u> 3508 Padre Blvd South Padre Island, TX 78597-7003 | CONTACT: Lisa Payne, Owner PHONE: (956) 761-5555 DESCRIPTION: Grocers-retail | NAICS: 4451 SALES: \$1 Million - \$2.5 Million # OF EMPLOYEES: 5 - 9 |

Source: LMCI and AEC

B. Causeway Traffic and Island Visitation by Market Segment

The majority of the 8 million causeway crossings estimated by Texas Department of Transportation are local crossings (either South Padre Island residents' or surrounding communities' residents' crossings). AEC estimates that close to 1 in 8 crossings is non-local crossing. Table 8 summarizes AEC's estimates Queen Isabella Causeway crossings by market segment. The estimates is derived from Texas Department of Transportation data, South Padre Island's Occupancy tax revenue, and sales tax data by month, Texas department of Tourism, U.S. Census population survey data and AEC's data.

Table X summarizes Queen Isabella Causeway crossing by market segment. The table shows day crossing accounts for 43% of total crossings, employment and general business travel represents 22%, residents crossing is 21% and 14% of total crossings are from seasonal units visitors and overnight visitors.

Table 8. Queen Isabella Causeway Traffic by Market Segment

| Market Segment | | # of Crossings | # of Visitors |
|---|---|----------------|---------------|
| <i>Permanent Residents</i> | | 2,818 | |
| | Residents Crossing | | 1,612,400 |
| <i>Employment/General Business Travel</i> | | | |
| | Cameron County Tourism Jobs | 12,725 | |
| | SPI Tourism Jobs | 3,351 | |
| | Commuters to SPI Tourism Jobs | 3,202 | |
| | SPI Residents Commuting to Outside Jobs | 432 | 19,710 |
| | Commuting Vehicles | 2,914 | |
| | Commuter Crossings | | 1,515,528 |
| | Misc. Business/Truck Crossings | | 152,595 |
| <i>Lodging/Rental Condo/RV Visitors</i> | | | |
| | Units/Spaces | 4,568 | |
| | Units/Spaces Occupied Daily | 2,279 | |
| | Total "Room Nights" | 831,835 | |
| | Average Length of Stay | 2.7 | |
| | Number of Traveling Parties | 313,900 | |
| | Average Party Size | 3.0 | |
| | Number of Overnight Visitors | 952,940 | 952,940 |
| <i>Seasonal Unit Visitors</i> | | | |
| | Units/Spaces | 4,096 | |
| | Units/Spaces Occupied Daily | 536 | |
| | Total "Room Nights" | 195,640 | |
| | Average Length of Stay | 7.0 | |

| | | | | |
|---------------------|-----------------------------|---------|-----------|-----------|
| | Number of Traveling Parties | 27,949 | | |
| | Average Party Size | 4.4 | | |
| | Seasonal Visitor Crossings | 121,496 | 121,496 | 121,496 |
| <i>Day Visitors</i> | | | | |
| | Day Visitors Crossings | | 3,255,079 | 3,255,079 |
| | Total | | 7,629,748 | 4,349,225 |

Source: U.S. Census, Texas Department of Tourism, AEC

C. Seasonal Housing Profile of the Gulf Coast and South Padre Island

Comparing U.S. Census housing data for 2000 with 2010 data shows that housing occupancy pattern for Gulf of Mexico counties in Texas, Louisiana, Mississippi, Alabama, and Florida did not change significantly. Housing occupancy rates declined slightly for all Gulf Counties. Average occupancy rate for Gulf counties in Texas declined by less than 1% between 2000 and 2010 while vacancy rates increased by approximately 6%. Seasonal housing for Gulf counties in Texas, Louisiana, and Mississippi also declined but increased in Florida and Alabama. South Padre Island housing occupancy shows a completely different pattern. Average occupancy rates in Gulf counties ranged from 78.7% in Florida to 89.6% in Louisiana. According to the 2010 U.S. Census, occupancy rate in South Padre Island are 18.8%, down from 25.8% in 2000. The reason housing occupancy declined between 2000 and 2010 was because the number of housing units increased by 2,051 units (from 4,685 to 6,736 units), while the number of occupied housing remained relatively unchanged (1,211 in 2000 to 1,269 in 2010). Most of the new housing units build between 2000 and 2010 were for the seasonal market. In fact, between 2000 and 2010 the number of seasonal housing units increased by 2028 units which represent 99.5% of all new housing units. Table 9 below summarizes the change in seasonal housing units in Texas, Louisiana, Mississippi, Alabama, and Florida.

Table 9. Change in Seasonal housing units: Texas, Louisiana, Mississippi, Alabama, and Florida

| For Seasonal, Recreational, Or Occasional Housing Units 2000-2010 | | | | |
|---|---------------------|-----------------------------|----------------------------------|--|
| | 2000-2010 Change | 2000-2010 Percent Change | Average Annual Percent Change | New Seasonal as a Percent of all New Total 2000-2010 |
| Alabama | 16,685 | 35.35% | 3.53% | 8.02% |
| Florida | 174,126 | 36.06% | 3.61% | 10.32% |
| Louisiana | 2,675 | 6.76% | 0.68% | 2.27% |
| Mississippi | 7,022 | 32.14% | 3.21% | 6.23% |
| Texas | 35,584 | 20.55% | 2.06% | 1.96% |
| <i>South Padre Island</i> | 2,028 | 98.07% | 9.81% | 99.75% |
| <i>Galveston</i> | 2,516 | 112.42% | 11.24% | 93.44% |
| <i>Corpus Christi</i> | 1,157 | 108.54% | 10.85% | 6.56% |

Source: U.S. Census & AEC

The Table also lists the changes in seasonal housing units in Corpus Christi, Galveston, and South Padre Island.

Table 10 details the 2000 to 2010 changes in population, housing units, and tenure and occupancy patterns for Cameron County and South Padre Island. The table shows that between 2000 and 2010 population and households in Cameron County grew at a faster rate than in South Padre Island (2.12% and 2.30%, and 1.63% and 1.18% respectively) yet housing units in South Padre Island grew at a much faster average annual rate than in Cameron County (4.34% and 1.86). Seasonal housing at the island increased at an average annual rate of 9.8%. The phenomenal growth rate of the housing stock and particularly seasonal housing units reaffirms that South Padre Island is first and foremost a vacation and resort destination. Data from The National Association of Realtors, Texas A&M Real Estate Center show that the real estate market has recovered from the economic and financial crisis of 2008-2010. Texas and South Padre Island real estate data show that average house prices, volumes of sales, dollar sales have increased while months inventory has declined. When comparing Texas housing months inventory data to South Padre Island inventory data one can notice that August 2014 months inventory for Texas is 3.8 months while South Padre Island months inventory is 22.1. The difference between the two statistics is due to the fact that they measure two completely different markets. Texas housing statistics are dominated by primary homes whereas statistics for South

Padre Island are primarily seasonal homes. Months inventory for South Padre Island decreased 9% between August 2013 and August 2014. In addition months inventory have declined from 55.9 months in November 2010 to 22.1 months in August 2014.

Table 10. Changes in Population, Housing Units, Tenure and Occupancy Patterns 2000-2010

| | Cameron County 2010 | Cameron County 2000 | Cameron County 2000-2010 | Cameron County 2000-2010 | South Padre Island 2010 | South Padre Island 2000 | South Padre Island 2000-2010 | South Padre Island 2000- 2010 |
|---|---------------------------|---------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|------------------------------------|-------------------------------------|
| OCCUPANCY STATUS | | | | | | | | |
| Population | 406,220 | 335,227 | 70,993 | 2.12% | 2,816 | 2,422 | 394 | 1.63% |
| Households | 119,631 | 97,267 | 22,364 | 2.30% | 1,354 | 1,211 | 143 | 1.18% |
| Total housing units | 141,924 | 119,654 | 22,270 | 1.86% | 6,718 | 4,685 | 2,033 | 4.34% |
| Occupied housing units | 119,631 | 97,267 | 22,364 | 2.30% | 1,354 | 1,211 | 143 | 1.18% |
| Vacant housing units | 22,293 | 22,387 | -94 | -0.04% | 5,364 | 3,474 | 1,890 | 5.44% |
| TENURE | | | | | | | | |
| Occupied housing units | 119,631 | 97,267 | 22,364 | 2.30% | 1,354 | 1,211 | 143 | 1.18% |
| Owner occupied | 80,412 | 65,875 | 14,537 | 2.21% | 862 | 769 | 93 | 1.21% |
| Renter occupied | 39,219 | 31,392 | 7,827 | 2.49% | 492 | 442 | 50 | 1.13% |
| VACANCY STATUS | | | | | | | | |
| Vacant housing units | 22,293 | 22,387 | -94 | -0.04% | 5,364 | 3,474 | 1,890 | 5.44% |
| For rent | 4,524 | 5,150 | -626 | -1.22% | 831 | 1,317 | -486 | -3.69% |
| For sale only | 1,513 | 1,078 | 435 | 4.04% | 179 | 60 | 119 | 19.83% |
| Rented or sold, not occupied | 868 | 1,003 | -135 | -1.35% | 40 | 9 | 31 | 34.44% |
| For seasonal, recreational, or occasional use | 11,021 | 11,759 | -738 | -0.63% | 4,096 | 2,068 | 2,028 | 9.81% |
| For migratory workers | 54 | 119 | -65 | -5.46% | - | 1 | -1 | -10.00% |
| Other vacant | 4,313 | 3,278 | 1,035 | 3.16% | 218 | 19 | 199 | 104.74% |

Source: U.S. Census & AEC

AEC's analysis of housing data shows that almost all new housing developments were seasonal housings. The data also shows that between 2000 and 2010 the occupied housing remained virtually unchanged. There were 2,028 units added to South Padre Island seasonal housing stock out of 2,033 new units.

The change in seasonal housing in the 51 counties along the Gulf coast and the economic impact of these seasonal houses varies by community. Between 2000 and 2010, the number of seasonal houses increased by 38.2% in Alabama, 37.3% in Florida, 11.9% in Texas, and declined in Louisiana and Mississippi by 12.2% and 12% respectively. In contrast, seasonal houses increased by 98.1% in South Padre Island. Data and forecasts show that seasonal houses dominate the housing market in South Padre Island, and the ratio of seasonal houses to non-seasonal houses has increased since 2000. Housing data also show that in relatively small communities seasonal houses represent a larger share of total housing and have a bigger impact than non-seasonal houses. In relatively larger communities the pattern is reversed.

In 1990, South Padre Island had 4,082 housing units, of which 3,269 were seasonal or rental condominium units, and by 2000 the housing unit inventory had increased to 4,685, of which, 3,385 were seasonal or rental condominium units. During this 10-year period, seasonal and rental condominium units increased by 12 units per year.

By January of 2010, the total housing unit count in the 51 gulf counties had grown from 3,958,201 to 4,735,422 and the seasonal housing count had grown from 290,126 to 383,097, which represents an increase from 7.3% of total housing units in 2000 to 8.1% in 2010. The annual growth rate in seasonal housing along the Gulf Coast during the 2000-2010 period was 3.2%.

Cameron County's housing Census data shows that in 2000 total housing units were 119,654 with 11,759 seasonal houses. In 2010, housing units increases to 141,929 and seasonal units declined to 11,021. This represents an increase of 18.5% increase in total housing and a 6.3% decline in seasonal housing over that 10 years period.

Gulf Coast's seasonal housing grew at a faster rate than total housing (3.2% vs. 2%). In South Padre Island the pattern of seasonal housing to total housing is more pronounced (9.8% vs. 4.3%). A sizeable portion of the changes in seasonal housing in South Padre Island can be attributed to Mexican National buyers. We expect this trend to continue given the growing economy in South Padre Island catchment area, an improved real estate market, and a booming

Mexican economy. AEC estimates that seasonal housing in South Padre Island will continue to grow at an average annual rate of 7%. The expected growth will not be evenly distributed but will consist of very sharp increases in the stock of seasonal housing in one year followed by few years of relative inactivity in housing development. This is the new trend that AEC observed in building permit data. The observation is consistent with the island characteristics of limited land for horizontal expansions and a healthy demand for seasonal housing.

Figure 4 below show tenure characteristics of South Padre Island, Galveston and Corpus Christi. Figure 5 shows that close to 80% of housing units in South Padre Island are vacant compared to 38% in Galveston and 10% in Corpus Christi. Seasonal Housing accounts for 76% of the island’s vacant units, 38% in Galveston and 18% in Corpus Christi.

Figure 4. Housing Occupancy

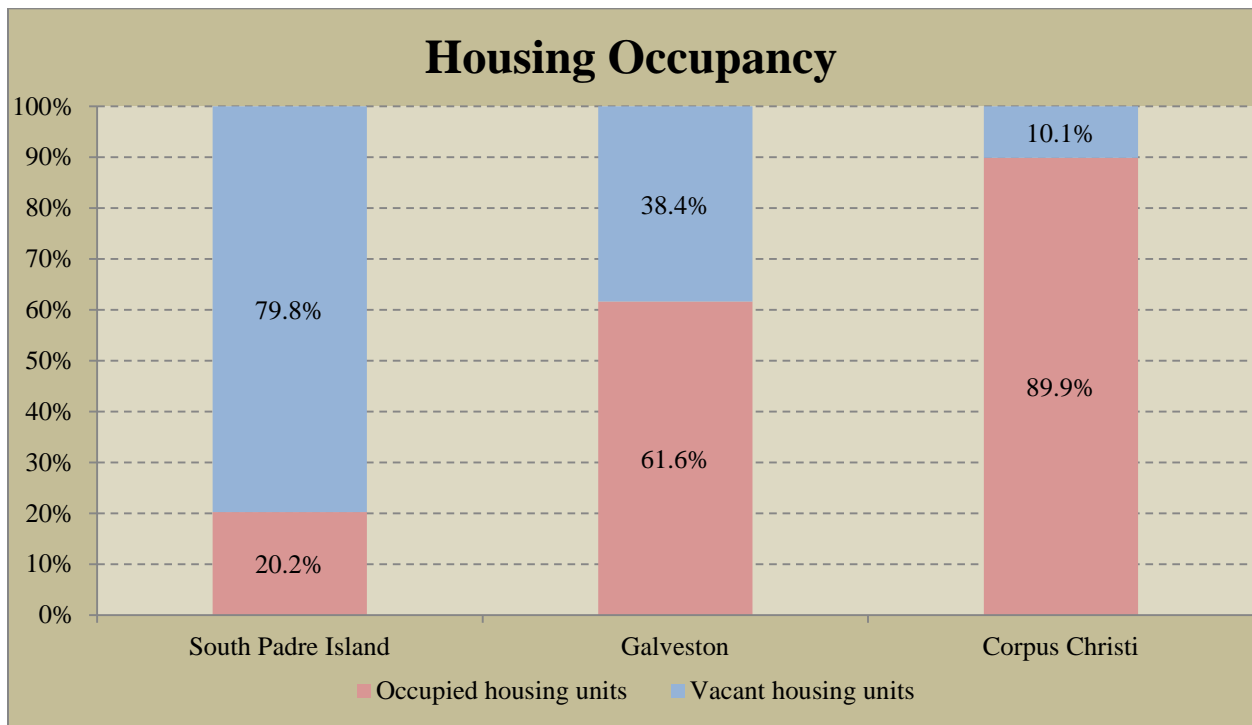


Figure 5. Vacant Housing Units

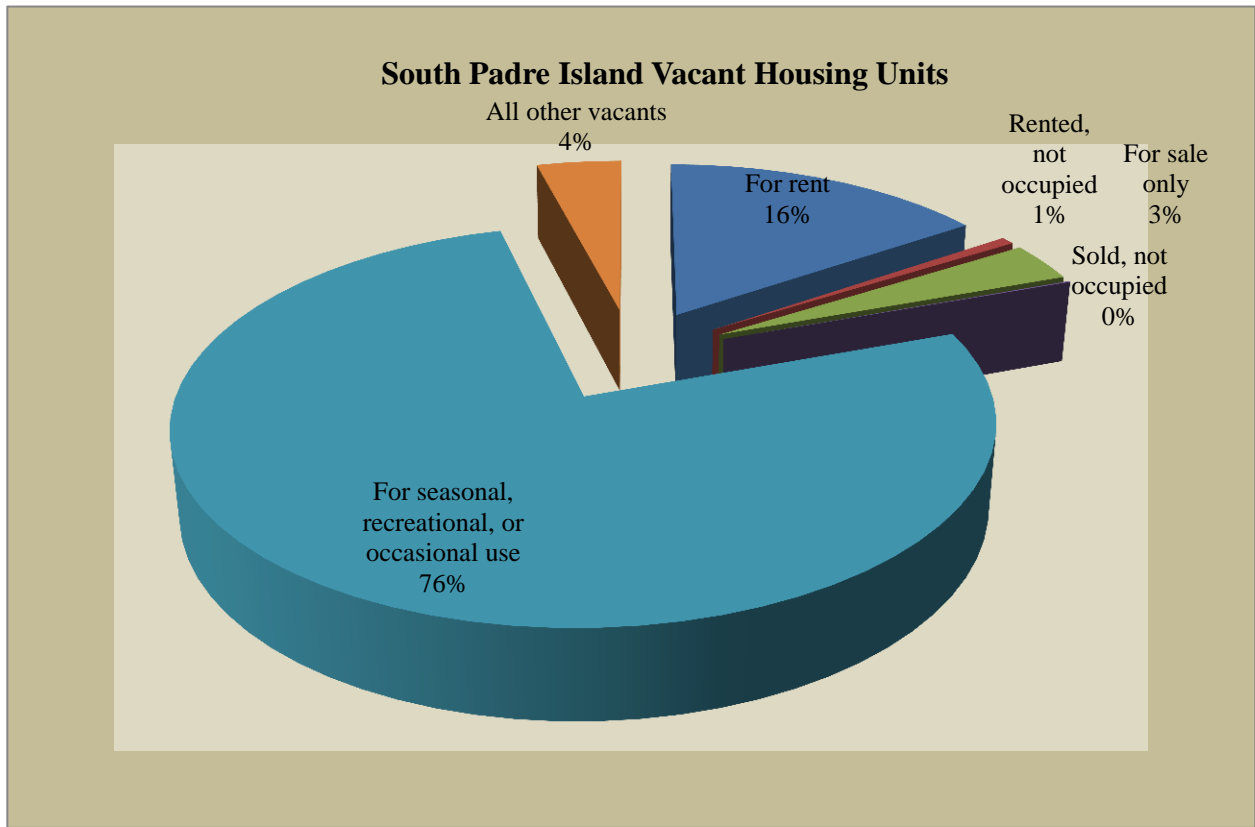


Figure 6. Vacant Housing Units – Galveston

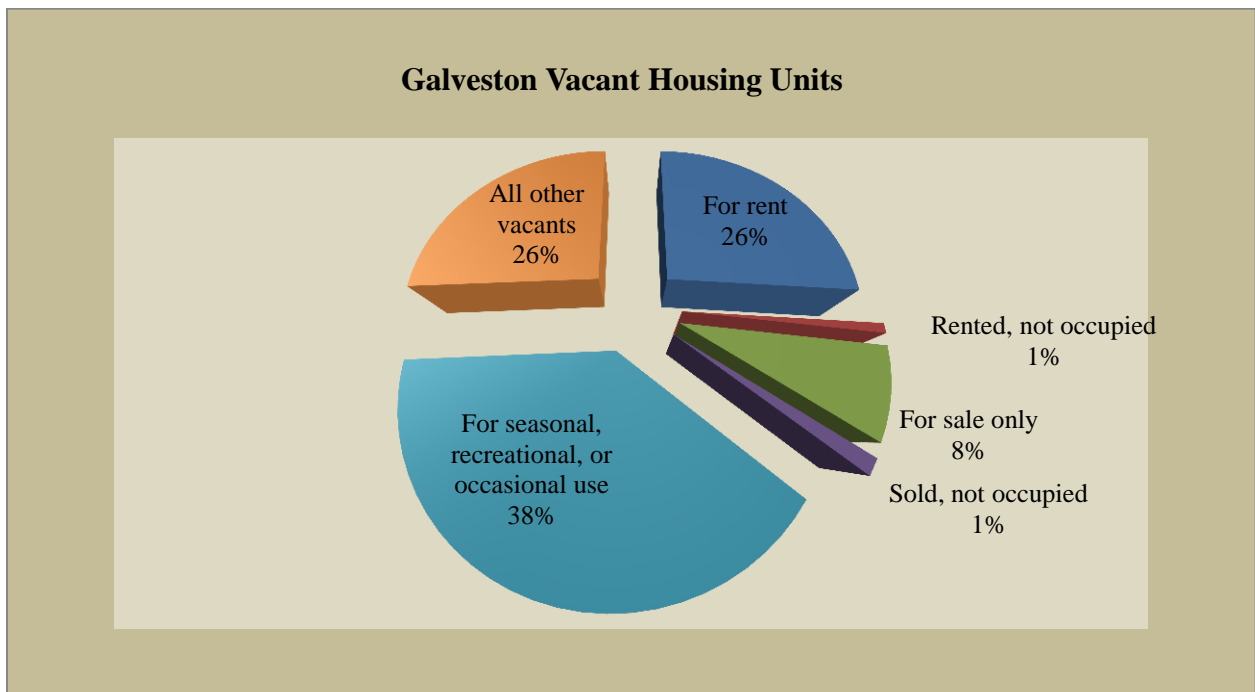


Figure 7. Vacant Housing Units – Corpus Christi

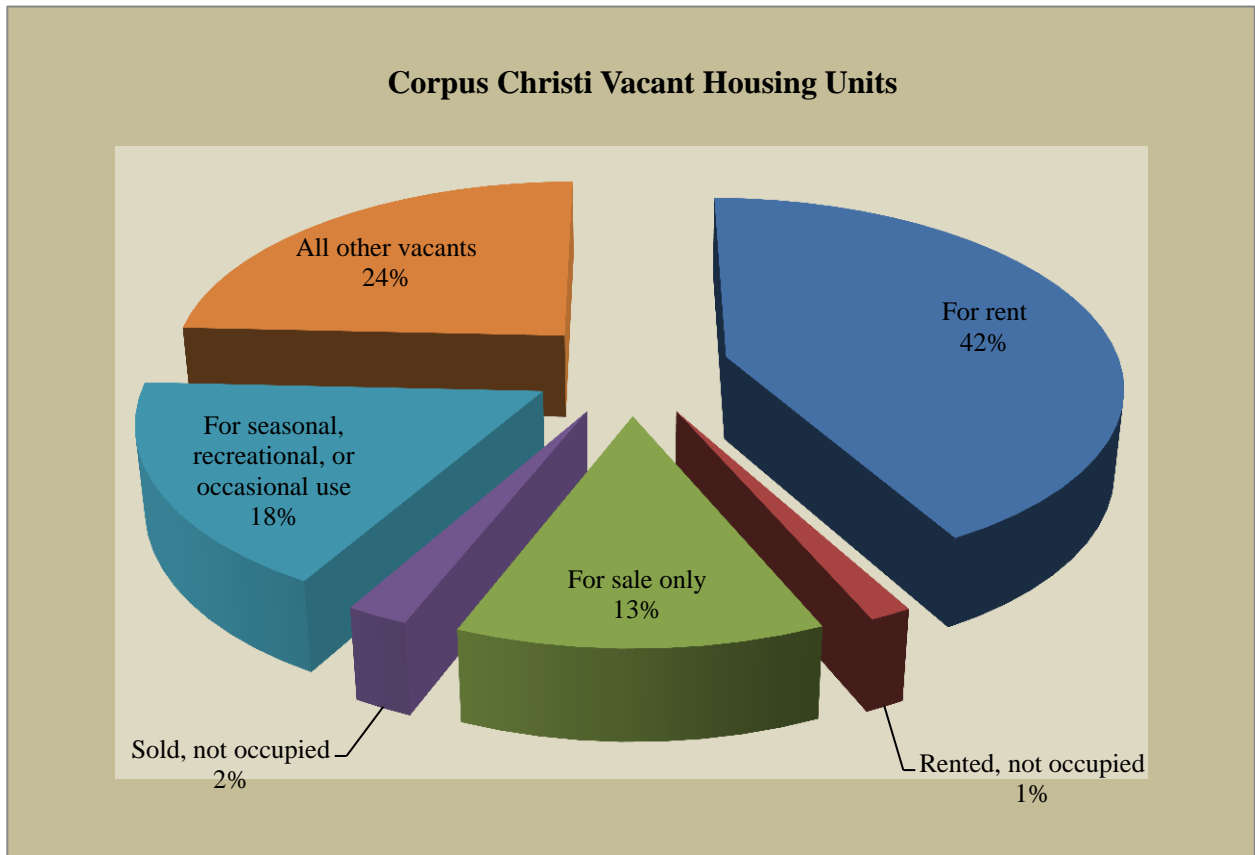
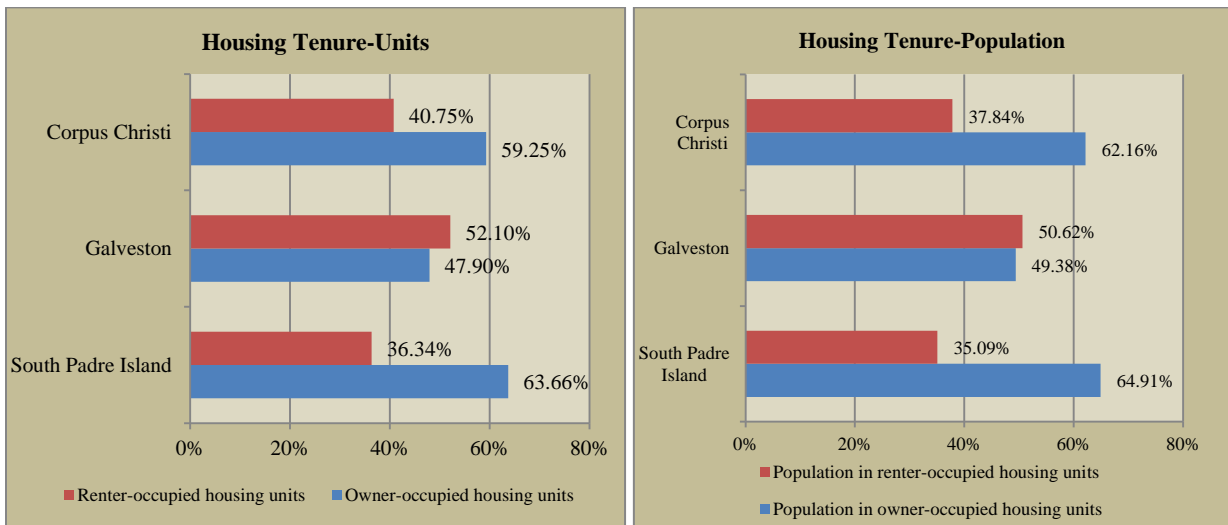
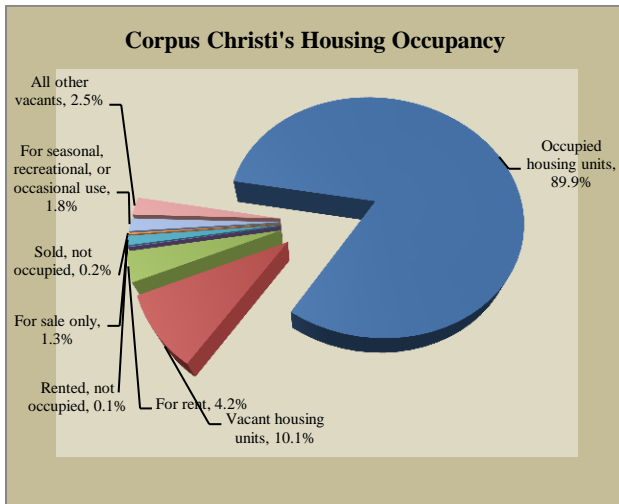
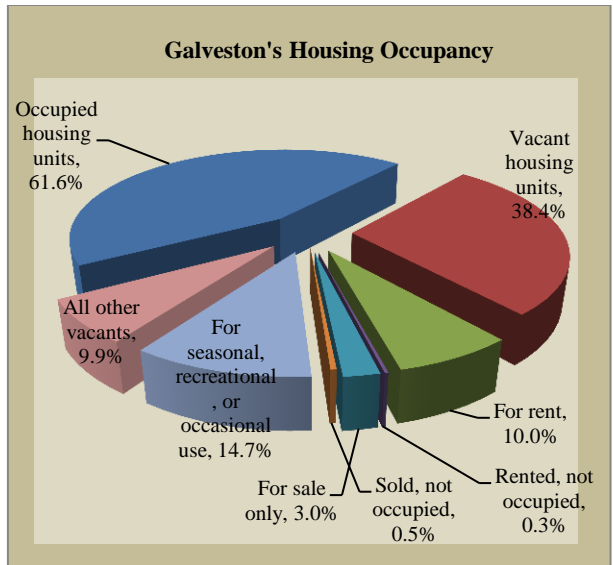
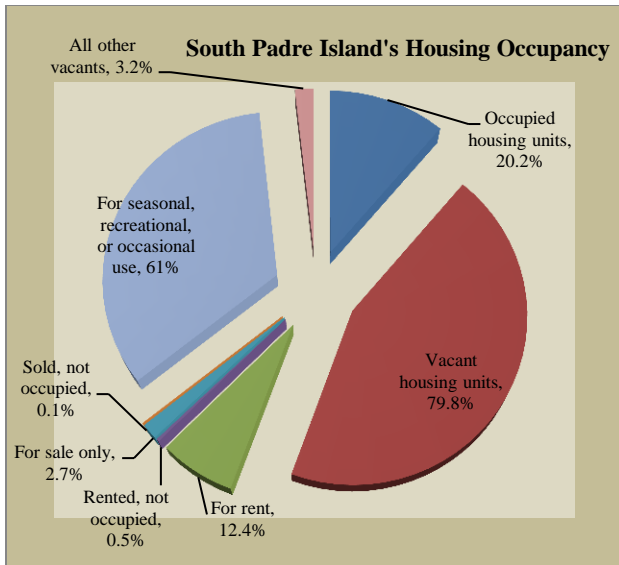


Figure 8. Housing Tenure – Units & Population





Source: U.S. Census & AEC

Table 11 summarizes the change in housing in the 51 counties along the Gulf Coast. Alabama, Florida, and Texas have experienced growth in seasonal housing developments, with Alabama and Florida experiencing the fastest growth. Mississippi and Louisiana seasonal housing declined over the period 2000 to 2010 as some of the seasonal housing was converted into year long housing.

Table 11. Change in Housing Gulf Coast Counties

| County | 2000 | | | | | | | | 2010 | | | | | | | |
|---------------|---------------------|----------------|------------------------------|--------------|----------------------------|----------------|---------------------------------|--------------------------------|---------------------|----------------|------------------------------|--------------|----------------------------|----------------|--------------------------------|---------------------------------|
| | Total housing units | Occupied units | Occupied as Percent of Total | Vacant units | Vacant as Percent of Total | seasonal Units | Seasonal as a Percent of Vacant | Seasonal as a Percent of Total | Total housing units | Occupied units | Occupied as Percent of Total | Vacant units | Vacant as Percent of Total | seasonal Units | Seasonal as a Percent of Total | Seasonal as a Percent of Vacant |
| Alabama | | | | | | | | | | | | | | | | |
| Baldwin | 74,285 | 55,336 | 74.5% | 18,949 | 25.5% | 11,862 | 16.0% | 62.6% | 104,061 | 73,180 | 70.3% | 30,881 | 29.7% | 16,931 | 16.3% | 54.8% |
| Mobile | 165,101 | 150,179 | 91.0% | 14,922 | 9.0% | 1,757 | 1.1% | 11.8% | 178,196 | 158,435 | 88.9% | 19,761 | 11.1% | 1,889 | 1.1% | 9.6% |
| Total Alabama | 239,386 | 205,515 | 85.9% | 33,871 | 14.1% | 13,619 | 5.7% | 40.2% | 282,257 | 231,615 | 82.1% | 50,642 | 17.9% | 18,820 | 6.7% | 37.2% |
| Florida | | | | | | | | | | | | | | | | |
| Bay | 78,435 | 59,597 | 76.0% | 18,838 | 24.0% | 8,810 | 11.2% | 46.8% | 99,650 | 68,438 | 68.7% | 31,212 | 31.3% | 13,878 | 13.9% | 44.5% |
| Charlotte | 79,758 | 63,864 | 80.1% | 15,894 | 19.9% | 10,512 | 13.2% | 66.1% | 100,632 | 73,370 | 72.9% | 27,262 | 27.1% | 15,411 | 15.3% | 56.5% |
| Citrus | 62,204 | 52,634 | 84.6% | 9,570 | 15.4% | 5,192 | 8.4% | 54.3% | 78,026 | 63,304 | 81.1% | 14,722 | 18.9% | 6,598 | 8.5% | 44.8% |
| Collier | 144,536 | 102,973 | 71.2% | 41,563 | 28.8% | 34,337 | 23.8% | 82.6% | 197,298 | 133,179 | 67.5% | 64,119 | 32.5% | 44,500 | 22.6% | 69.4% |
| Dixie | 7,362 | 5,205 | 70.7% | 2,157 | 29.3% | 1,375 | 18.7% | 63.8% | 9,319 | 6,316 | 67.8% | 3,003 | 32.2% | 2,025 | 21.7% | 67.4% |
| Escambia | 124,647 | 111,049 | 89.1% | 13,598 | 10.9% | 3,074 | 2.5% | 22.6% | 136,703 | 116,238 | 85.0% | 20,465 | 15.0% | 4,778 | 3.5% | 23.4% |
| Franklin | 7,180 | 4,096 | 57.1% | 3,084 | 43.0% | 1,363 | 19.0% | 44.2% | 8,652 | 4,254 | 49.2% | 4,398 | 50.8% | 3,274 | 37.8% | 74.4% |
| Gulf | 7,587 | 4,931 | 65.0% | 2,656 | 35.0% | 1,273 | 16.8% | 47.9% | 9,110 | 5,335 | 58.6% | 3,775 | 41.4% | 2,322 | 25.5% | 61.5% |
| Hernando | 62,727 | 55,425 | 88.4% | 7,302 | 11.6% | 3,566 | 5.7% | 48.8% | 84,504 | 71,745 | 84.9% | 12,759 | 15.1% | 4,194 | 5.0% | 32.9% |
| Hillsborough | 425,962 | 391,357 | 91.9% | 34,605 | 8.1% | 6,068 | 1.4% | 17.5% | 536,092 | 474,030 | 88.4% | 62,062 | 11.6% | 7,032 | 1.3% | 11.3% |
| Lee | 245,405 | 188,599 | 76.9% | 56,806 | 23.2% | 39,502 | 16.1% | 69.5% | 371,099 | 259,818 | 70.0% | 111,281 | 30.0% | 62,137 | 16.7% | 55.8% |
| Levy | 16,570 | 13,867 | 83.7% | 2,703 | 16.3% | 1,085 | 6.6% | 40.1% | 20,123 | 16,404 | 81.5% | 3,719 | 18.5% | 1,545 | 7.7% | 41.5% |
| Manatee | 138,128 | 112,460 | 81.4% | 25,668 | 18.6% | 16,845 | 12.2% | 65.6% | 172,690 | 135,729 | 78.6% | 36,961 | 21.4% | 19,126 | 11.1% | 51.8% |
| Monroe | 51,617 | 35,086 | 68.0% | 16,531 | 32.0% | 12,332 | 23.9% | 74.6% | 52,764 | 32,629 | 61.8% | 20,135 | 38.2% | 15,037 | 28.5% | 74.7% |
| Okaloosa | 78,593 | 66,269 | 84.3% | 12,324 | 15.7% | 4,258 | 5.4% | 34.6% | 92,407 | 72,379 | 78.3% | 20,028 | 21.7% | 6,755 | 7.3% | 33.7% |
| Pasco | 173,717 | 147,566 | 85.0% | 26,151 | 15.1% | 14,915 | 8.6% | 57.0% | 228,928 | 189,612 | 82.8% | 39,316 | 17.2% | 15,634 | 6.8% | 39.8% |

| | | | | | | | | | | | | | | | | |
|-------------------------------|-----------|-----------|-------|---------|-------|---------|-------|-------|-----------|-----------|-------|---------|-------|---------|-------|-------|
| Pinellas | 481,573 | 414,968 | 86.2% | 66,605 | 13.8% | 34,111 | 7.1% | 51.2% | 503,634 | 415,876 | 82.6% | 87,758 | 17.4% | 39,103 | 7.8% | 44.6% |
| Santa Rosa | 49,119 | 43,793 | 89.2% | 5,326 | 10.8% | 972 | 2.0% | 18.3% | 64,760 | 56,910 | 87.9% | 7,850 | 12.1% | 1,667 | 2.6% | 21.2% |
| Sarasota | 182,467 | 149,937 | 82.2% | 32,530 | 17.8% | 20,450 | 11.2% | 62.9% | 228,413 | 175,746 | 76.9% | 52,667 | 23.1% | 31,353 | 13.7% | 59.5% |
| Taylor | 9,646 | 7,176 | 74.4% | 2,470 | 25.6% | 1,324 | 13.7% | 53.6% | 11,004 | 7,920 | 72.0% | 3,084 | 28.0% | 1,924 | 17.5% | 62.4% |
| Wakulla | 9,820 | 8,450 | 86.1% | 1,370 | 14.0% | 513 | 5.2% | 37.5% | 12,804 | 10,490 | 81.9% | 2,314 | 18.1% | 1,057 | 8.3% | 45.7% |
| Walton | 29,083 | 16,548 | 56.9% | 12,535 | 43.1% | 7,681 | 26.4% | 61.3% | 45,132 | 22,301 | 49.4% | 22,831 | 50.6% | 15,780 | 35.0% | 69.1% |
| Total Florida | 2,466,136 | 2,055,850 | 83.4% | 410,286 | 16.6% | 229,558 | 9.3% | 56.0% | 3,063,744 | 2,412,023 | 78.7% | 651,721 | 21.3% | 315,130 | 10.3% | 48.4% |
| Louisiana | | | | | | | | | | | | | | | | |
| Camero n Parish, | 5,336 | 3,592 | 67.3% | 1,744 | 32.7% | 1,331 | 24.9% | 76.3% | 3,593 | 2,575 | 71.7% | 1,018 | 28.3% | 779 | 21.7% | 76.5% |
| Iberia Parish, | 27,844 | 25,381 | 91.2% | 2,463 | 8.9% | 318 | 1.1% | 12.9% | 29,698 | 26,778 | 90.2% | 2,920 | 9.8% | 253 | 0.9% | 8.7% |
| Jefferso n Parish, | 187,907 | 176,234 | 93.8% | 11,673 | 6.2% | 1,936 | 1.0% | 16.6% | 189,135 | 169,647 | 89.7% | 19,488 | 10.3% | 2,009 | 1.1% | 10.3% |
| Lafourc he Parish, | 35,045 | 32,057 | 91.5% | 2,988 | 8.5% | 923 | 2.6% | 30.9% | 38,582 | 35,486 | 92.0% | 3,096 | 8.0% | 453 | 1.2% | 14.6% |
| Plaque mines Parish, | 10,481 | 9,021 | 86.1% | 1,460 | 13.9% | 542 | 5.2% | 37.1% | 9,596 | 8,077 | 84.2% | 1,519 | 15.8% | 716 | 7.5% | 47.1% |
| St. Bernar d Parish, | 26,790 | 25,123 | 93.8% | 1,667 | 6.2% | 366 | 1.4% | 22.0% | 16,794 | 13,221 | 78.7% | 3,573 | 21.3% | 546 | 3.3% | 15.3% |
| St. Mary Parish, | 21,650 | 19,317 | 89.2% | 2,333 | 10.8% | 410 | 1.9% | 17.6% | 23,028 | 20,457 | 88.8% | 2,571 | 11.2% | 542 | 2.4% | 21.1% |
| St. Tamma ny Parish, | 75,398 | 69,253 | 91.9% | 6,145 | 8.2% | 1,191 | 1.6% | 19.4% | 95,412 | 87,521 | 91.7% | 7,891 | 8.3% | 1,141 | 1.2% | 14.5% |
| Terrebo nne Parish, | 39,928 | 35,997 | 90.2% | 3,931 | 9.9% | 1,424 | 3.6% | 36.2% | 43,887 | 40,091 | 91.4% | 3,796 | 8.7% | 749 | 1.7% | 19.7% |
| Vermili on | 22,461 | 19,832 | 88.3% | 2,629 | 11.7% | 938 | 4.2% | 35.7% | 25,235 | 21,889 | 86.7% | 3,346 | 13.3% | 1,044 | 4.1% | 31.2% |

| | | | | | | | | | | | | | | | | | |
|-------------------|---------|---------|-------|--------|-------|--------|-------|-------|---------|---------|-------|---------|-------|--------|-------|-------|--|
| Parish, | | | | | | | | | | | | | | | | | |
| Total Louisiana | 452,840 | 415,807 | 91.8% | 37,033 | 8.2% | 9,379 | 2.1% | 25.3% | 474,960 | 425,742 | 89.6% | 49,218 | 10.4% | 8,232 | 1.7% | 16.7% | |
| Mississippi | | | | | | | | | | | | | | | | | |
| Hancock | 21,072 | 16,897 | 80.2% | 4,175 | 19.8% | 2,373 | 11.3% | 56.8% | 21,840 | 17,380 | 79.6% | 4,460 | 20.4% | 1,434 | 6.6% | 32.2% | |
| Harrison | 79,636 | 71,538 | 89.8% | 8,098 | 10.2% | 1,673 | 2.1% | 20.7% | 85,181 | 71,476 | 83.9% | 13,705 | 16.1% | 1,660 | 2.0% | 12.1% | |
| Jackson | 51,678 | 47,676 | 92.3% | 4,002 | 7.7% | 613 | 1.2% | 15.3% | 60,067 | 52,205 | 86.9% | 7,862 | 13.1% | 1,004 | 1.7% | 12.8% | |
| Total Mississippi | 152,386 | 136,111 | 89.3% | 16,275 | 10.7% | 4,659 | 3.1% | 28.6% | 167,088 | 141,061 | 84.4% | 26,027 | 15.6% | 4,098 | 2.5% | 15.7% | |
| Texas | | | | | | | | | | | | | | | | | |
| Aransas | 12,848 | 9,132 | 71.1% | 3,716 | 28.9% | 2,461 | 19.2% | 66.2% | 15,355 | 9,795 | 63.8% | 5,560 | 36.2% | 3,906 | 25.4% | 70.3% | |
| Brazoria | 90,628 | 81,954 | 90.4% | 8,674 | 9.6% | 1,496 | 1.7% | 17.3% | 118,336 | 106,589 | 90.1% | 11,747 | 9.9% | 2,055 | 1.7% | 17.5% | |
| Calhoun | 10,238 | 7,442 | 72.7% | 2,796 | 27.3% | 1,751 | 17.1% | 62.6% | 11,410 | 7,766 | 68.1% | 3,644 | 31.9% | 2,301 | 20.2% | 63.1% | |
| Cameroon | 119,654 | 97,267 | 81.3% | 22,387 | 18.7% | 11,759 | 9.8% | 52.5% | 141,924 | 119,631 | 84.3% | 22,293 | 15.7% | 11,021 | 7.8% | 49.4% | |
| Chambers | 10,336 | 9,139 | 88.4% | 1,197 | 11.6% | 359 | 3.5% | 30.0% | 13,291 | 11,952 | 89.9% | 1,339 | 10.1% | 255 | 1.9% | 19.0% | |
| Galveston | 111,733 | 94,782 | 84.8% | 16,951 | 15.2% | 7,640 | 6.8% | 45.1% | 132,492 | 108,969 | 82.3% | 23,523 | 17.8% | 8,090 | 6.1% | 34.4% | |
| Jefferson | 102,080 | 92,880 | 91.0% | 9,200 | 9.0% | 512 | 0.5% | 5.6% | 104,424 | 93,441 | 89.5% | 10,983 | 10.5% | 973 | 0.9% | 8.9% | |
| Kenedy | 281 | 138 | 49.1% | 143 | 50.9% | 103 | 36.7% | 72.0% | 233 | 147 | 63.1% | 86 | 36.9% | 36 | 15.5% | 41.9% | |
| Kleberg | 12,743 | 10,896 | 85.5% | 1,847 | 14.5% | 180 | 1.4% | 9.8% | 12,787 | 11,097 | 86.8% | 1,690 | 13.2% | 256 | 2.0% | 15.2% | |
| Matagorda | 18,611 | 13,901 | 74.7% | 4,710 | 25.3% | 2,407 | 12.9% | 51.1% | 18,801 | 13,894 | 73.9% | 4,907 | 26.1% | 2,611 | 13.9% | 53.2% | |
| Nueces | 123,041 | 110,365 | 89.7% | 12,676 | 10.3% | 3,154 | 2.6% | 24.9% | 141,033 | 124,587 | 88.3% | 16,446 | 11.7% | 3,918 | 2.8% | 23.8% | |
| Refugio | 3,669 | 2,985 | 81.4% | 684 | 18.6% | 187 | 5.1% | 27.3% | 3,726 | 2,841 | 76.3% | 885 | 23.8% | 247 | 6.6% | 27.9% | |
| San Patricio | 24,864 | 22,093 | 88.9% | 2,771 | 11.1% | 508 | 2.0% | 18.3% | 26,521 | 22,637 | 85.4% | 3,884 | 14.6% | 845 | 3.2% | 21.8% | |
| Willacy | 6,727 | 5,584 | 83.0% | 1,143 | 17.0% | 394 | 5.9% | 34.5% | 7,040 | 5,764 | 81.9% | 1,276 | 18.1% | 303 | 4.3% | 23.8% | |
| Total | 647,453 | 558,558 | 86.3% | 88,895 | 13.7% | 32,911 | 5.1% | 37.0% | 747,373 | 639,110 | 85.5% | 108,263 | 14.5% | 36,817 | 4.9% | 34.0% | |

| | | | | | | | | | | | | | | | | | | | |
|-------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Texas | | | | | | | | | | | | | | | | | | | |
|-------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

| | | | | | | | | | | | | | | | | | | | |
|------------|-----------|-----------|-------|---------|-------|---------|------|-------|-----------|-----------|-------|---------|-------|---------|------|-------|--|--|--|
| Gulf Coast | | | | | | | | | | | | | | | | | | | |
| County | 3,958,201 | 3,371,841 | 85.2% | 586,360 | 14.8% | 290,126 | 7.3% | 49.5% | 4,735,422 | 3,849,551 | 81.3% | 885,871 | 18.7% | 383,097 | 8.1% | 43.2% | | | |
| Total | | | | | | | | | | | | | | | | | | | |

Source: U.S. Census & AEC

AEC assessment of the South Padre Island’s catchment area is based on historic South Padre Island visitation trends, increased accessibility to the island including drive times and direct flights, and geographic location. AEC has determined a primary catchment area from which the majority of demand for South Padre Island’s seasonal housing ownership demand comes from households living within a five-hour drive radius. South Padre Island primary catchment area is limited to Southern Texas and extends to Nuevo Leon Mexico to the west and reaches as far north as Dallas. Although Dallas is ten-hour drive from the island, it is less than one and half-hours flight. American airlines offer daily direct flight connecting Dallas to Brownsville South Padre Island international airport. Figure 9 shows that estimated catchment area.

Figure 9. South Padre Island Catchment Area



U.S. Census data for 2014 shows 7 million total households in the island’s catchment area with 53.1% of households earning an income above \$50,000. The table below details the catchment area income distribution for the Primary Catchment Area. The table shows that within the

catchment area there were 2.5 million households earning in excess of \$75,000 and 355,015 households with incomes in excess of \$200,000.

Demand for the seasonal housing can be divided into two categories based on household income and place of residence relative to the island. AEC focuses on two income groups and the nature of participation each group. Household with incomes between \$75,000 and \$200,000 will make up a small percent of seasonal housing ownership.

Table 12. Income Distribution for South Padre Island Catchment Area 2014

| Income Distribution for South Padre Island Catchment Area 2014 | | |
|--|-----------|--------|
| Total households | 7,065,151 | |
| Less than \$10,000 | 506,812 | 7.17% |
| \$10,000 to \$14,999 | 357,434 | 5.06% |
| \$15,000 to \$24,999 | 743,700 | 10.53% |
| \$25,000 to \$34,999 | 745,344 | 10.55% |
| \$35,000 to \$49,999 | 963,704 | 13.64% |
| \$50,000 to \$74,999 | 1,267,057 | 17.93% |
| \$75,000 to \$99,999 | 844,895 | 11.96% |
| \$100,000 to \$149,999 | 925,777 | 13.10% |
| \$150,000 to \$199,999 | 355,413 | 5.03% |
| \$200,000 or more | 355,015 | 5.02% |
| Households \$75,000 or more | 2,481,100 | 35.12% |

Source: U.S. Census & AEC

AEC projects seasonal housing participation within the catchment area to grow from 35,737 units currently, to 43,542 by 2024. This represents an annual increase of 780 units per year.

The following table summarizes the number of households living in the catchment area within the two income groups and projects them over the next decade. Households earning less than \$200,000 have a 1.21% participation rate for second home ownership, while households earning \$200,000 or more are more than twice as likely to own a seasonal home and have a participation rate of 2.82%. Seasonal housing participation for households with income between \$75,000 and \$199,000 is primarily in the form of fractional ownership (16.5%). Households with income greater than \$200,000 have a fractional iownership participation rate of 11.9%.

Table 13. Household Income in Catchment Area

| | Household Income | Households | Seasonal Housing Participation Rate | Seasonal Housing Participation | Fractional /Timeshare Participation Rate | Fractional /Timeshare Participation |
|------|-----------------------|------------|-------------------------------------|--------------------------------|--|-------------------------------------|
| 2014 | \$75,000 to \$199,000 | 2,126,085 | 1.21% | 25,726 | 16.50% | 4,245 |
| | \$200,000 or more | 355,015 | 2.82% | 10,011 | 11.90% | 1,191 |
| | | | Total | 35,737 | | 5,436 |
| 2024 | \$75,000 to \$199,000 | 2,572,563 | 1.21% | 31,128 | 16.50% | 5,136 |
| | \$200,000 or more | 440,219 | 2.82% | 12,414 | 11.90% | 1,477 |
| | | | Total | 43,542 | | 6,613 |

Source: U.S. Census & AEC

D. Mexican National Buyer Potentials

Mexican nationals represent one of the largest market segments for seasonal housing on the Island. The booming Mexican economy and Mexican energy reforms have led to an increase in economic activity along the border especially in manufacturing and oil related industries. In addition, proximity to the Island makes it an ideal destination and offers attractive investment opportunities. The real estate development pattern on the Island has changed over the last 15 years. High rise condominiums and multi-unit housing are replacing single family homes, largely due to limited land for expansion and increased demand for seasonal housing. Our analysis of real estate data and building permits shows a seesaw pattern with sharp increases in building permits followed by periods of low demand for building permits. The pattern repeats itself every few years. This is a new phenomenon fueled, to a large extent, by Mexican developers and buyers.

The majority of Mexican investors on the Island originate from the states of Nueva Leon and Tamaulipas. Structural changes in the economy of China have led to a resurgence of manufacturing in the maquila industry along the border.

Our analysis reveals that there are 286 homes that are owned by Mexican nationals; however, anecdotal evidence suggests that the actual number is much higher. Table 14 provides estimates and projections of population, household, income and SPI capture.

Table 14. Estimates and Projections of Population, Household, Income and SPI Capture

| State | Estimated Population 2010 | Estimated Households 2010 | Households with Income \$100,000+ | Estimated Second Home Households | Estimated SPI Capture | Secondary Capture | Total SPI Capture |
|-------------|---------------------------|---------------------------|-----------------------------------|----------------------------------|-----------------------|-------------------|-------------------|
| Nuevo Leon | 4,653,458 | 1,191,114 | 13,211 | 932 | 134 | 43 | 177 |
| Tamaulipas | 3,268,554 | 868,244 | 8,834 | 662 | 67 | 23 | 90 |
| | | | | | | | |
| Total 2010 | 7,922,012 | 2,059,358 | 22,045 | 1,594 | 201 | 66 | 267 |
| Projections | | | | | | | |
| 2014 | 8,703,750 | 2,262,574 | 23,632 | 1,709 | 215 | 71 | 286 |
| 2015 | 8,869,121 | 2,305,563 | 23,963 | 1,733 | 218 | 72 | 290 |
| 2016 | 9,037,635 | 2,349,368 | 24,298 | 1,757 | 222 | 73 | 294 |
| 2017 | 9,209,350 | 2,394,006 | 24,638 | 1,782 | 225 | 74 | 298 |
| 2018 | 9,384,327 | 2,439,493 | 24,983 | 1,806 | 228 | 75 | 303 |
| 2019 | 9,562,630 | 2,485,843 | 25,333 | 1,832 | 231 | 76 | 307 |
| 2020 | 9,744,320 | 2,533,074 | 25,688 | 1,857 | 234 | 77 | 311 |
| 2021 | 9,929,462 | 2,581,202 | 26,047 | 1,883 | 237 | 78 | 315 |
| 2022 | 10,118,121 | 2,630,245 | 26,412 | 1,910 | 241 | 79 | 320 |
| 2023 | 10,310,366 | 2,680,220 | 26,782 | 1,937 | 244 | 80 | 324 |
| 2024 | 10,506,263 | 2,731,144 | 27,157 | 1,964 | 248 | 81 | 329 |
| 2025 | 10,705,882 | 2,783,036 | 27,537 | 1,991 | 251 | 82 | 334 |

Source: INEGI and AEC

E. Housing Profile of South Padre Island

1. Growth Trends

South Padre Island experienced a 1.18% growth in the number of households between 2000 and 2010. During that same period, Cameron County had a 2.3% increase in the number of households. However, housing units in Cameron County grew by 1.86% annually while the Island experienced a 4.34% annual increasing in new housing. Most of this increase was seasonal housing. In Cameron County, population grew faster than the housing stock. This increase resulted in the conversion of some seasonal housing to year-round housing. The Island, on the other hand, experienced faster growth in housing units than in number of households at a rate of 4 to 1. The Island accounts for 37.17% of all seasonal housing in Cameron County. Our projections for seasonal housing will continue to decline in Cameron County and increase on South Padre Island. The tables below summarize these trends.

Table 15. Occupancy Status Cameron County

| | Cameron County 2010 | Cameron County 2000 | Cameron County 2000-2009 | Cameron County 2000-2010 |
|-------------------------|---------------------|---------------------|--------------------------|--------------------------|
| Subject | Number | Number | Number | Percent |
| OCCUPANCY STATUS | | | | |
| Population | 406,220 | 335,227 | 70,993 | 2.12% |
| Households | 119,631 | 97,267 | 22,364 | 2.30% |
| Total housing units | 141,924 | 119,654 | 22,270 | 1.86% |
| Occupied housing units | 119,631 | 97,267 | 22,364 | 2.30% |
| Vacant housing units | 22,293 | 22,387 | (94) | -0.04% |
| TENURE | | | | |
| Occupied housing units | 119,631 | 97,267 | 22,364 | 2.30% |
| Owner occupied | 80,412 | 65,875 | 14,537 | 2.21% |
| Renter occupied | 39,219 | 31,392 | 7,827 | 2.49% |
| VACANCY STATUS | | | | |
| Vacant housing units | 22,293 | 22,387 | (94) | -0.04% |
| For rent | 4,524 | 5,150 | (626) | -1.22% |
| For sale only | 1,513 | 1,078 | 435 | 4.04% |

| | | | | |
|---|--------|--------|-------|--------|
| Rented or sold, not occupied | 868 | 1,003 | (135) | -1.35% |
| For seasonal, recreational, or occasional use | 11,021 | 11,759 | (738) | -0.63% |
| Other vacant | 4,313 | 3,278 | 1,035 | 3.16% |

Source: US Census and AEC

Table 16. Occupancy Status South Padre Island

| | South Padre Island 2010 | South Padre Island 2000 | South Padre Island 2000-2010 | South Padre Island 2000-2011 |
|---|-------------------------|-------------------------|------------------------------|------------------------------|
| Subject | Number | Number | Number | Percent |
| OCCUPANCY STATUS | | | | |
| Population | 2,816 | 2,422 | 394 | 1.63% |
| Households | 1,354 | 1,211 | 143 | 1.18% |
| Total housing units | 6,718 | 4,685 | 2,033 | 4.34% |
| Occupied housing units | 1,354 | 1,211 | 143 | 1.18% |
| Vacant housing units | 5,364 | 3,474 | 1,890 | 5.44% |
| TENURE | | | | |
| Occupied housing units | 1,354 | 1,211 | 143 | 1.18% |
| Owner occupied | 862 | 769 | 93 | 1.21% |
| Renter occupied | 492 | 442 | 50 | 1.13% |
| VACANCY STATUS | | | | |
| Vacant housing units | 5,364 | 3,474 | 1,890 | 5.44% |
| For rent | 831 | 1,317 | (486) | -3.69% |
| For sale only | 179 | 60 | 119 | 19.83% |
| Rented or sold, not occupied | 40 | 9 | 31 | 34.44% |
| For seasonal, recreational, or occasional use | 4,096 | 2,068 | 2,028 | 9.81% |
| Other vacant | 218 | 19 | 199 | 104.74% |

Source: US Census and AEC

Table 17. South Padre Island Housing Characteristics

| | South Padre Island as a Percent of Cameron County 2010 | South Padre Island as a Percent of Cameron County 2000 | Change of South Padre Island as a Percent of Cameron County 2000-2010 |
|--|--|--|--|
| OCCUPANCY STATUS | | | |
| Population | 0.69% | 0.72% | -0.03% |
| Households | 1.13% | 1.25% | -0.11% |
| Total housing units | 4.73% | 3.92% | 0.82% |
| Occupied housing units | 1.13% | 1.25% | -0.11% |
| Vacant housing units | 24.06% | 15.52% | 8.54% |
| TENURE | | | |
| Occupied housing units | 1.13% | 1.25% | -0.11% |
| Owner occupied | 1.07% | 1.17% | -0.10% |
| Renter occupied | 1.25% | 1.41% | -0.15% |
| VACANCY STATUS | | | |
| Vacant housing units | 24.06% | 15.52% | 8.54% |
| For rent | 18.37% | 25.57% | -7.20% |
| For sale only | 11.83% | 5.57% | 6.26% |
| Rented or sold, not occupied | 4.61% | 0.90% | 3.71% |
| For seasonal, recreational, or occasional use | 37.17% | 17.59% | 19.58% |
| For migratory workers | 0.00% | 0.84% | -0.84% |
| Other vacant | 5.05% | 0.58% | 4.47% |

Source: US Census and AEC

Table 18. Cameron County Occupancy Status Forecast

| Cameron County | | | | |
|---|---------|---------|---------|---------|
| Subject | 2010 | 2015 | 2020 | 2025 |
| OCCUPANCY STATUS | | | | |
| Population | 406,220 | 441,796 | 478,974 | 510,431 |
| Households | 119,631 | 130,243 | 140,855 | 151,467 |
| Total housing units | 141,924 | 151,769 | 161,614 | 171,460 |
| Occupied housing units | 119,631 | 130,243 | 140,855 | 151,467 |
| Vacant housing units | 22,293 | 22,312 | 22,332 | 22,351 |
| TENURE | | | | |
| Occupied housing units | 119,631 | 130,243 | 140,855 | 151,467 |
| Owner occupied | 80,412 | 86,804 | 93,197 | 99,589 |
| Renter occupied | 39,219 | 43,229 | 47,239 | 51,249 |
| VACANCY STATUS | | | | |
| Vacant housing units | 22,293 | 22,312 | 22,332 | 22,351 |
| For rent | 4,524 | 4,563 | 4,601 | 4,640 |
| For sale only | 1,513 | 1,758 | 2,002 | 2,247 |
| Rented or sold, not occupied | 868 | 856 | 844 | 832 |
| For seasonal, recreational, or occasional use | 11,021 | 10,712 | 10,404 | 10,095 |
| For migratory workers | 54 | 49 | 43 | 38 |
| Other vacant | 4,313 | 4,682 | 5,050 | 5,419 |

Source: US Census and AEC

Table 19. South Padre Island Occupancy Status Forecast

| South Padre Island | | | | |
|-------------------------|-------|----------|----------|----------|
| Subject | 2010 | 2015 | 2020 | 2025 |
| OCCUPANCY STATUS | | | | |
| Population | 2,816 | 3,061.80 | 3,319.52 | 3,537.59 |
| Households | 1,354 | 1,472.58 | 1,592.68 | 1,712.79 |
| Total housing units | 6,718 | 7,238.98 | 7,705.01 | 8,171.03 |
| Occupied housing units | 1,354 | 1,472.58 | 1,592.68 | 1,712.79 |
| Vacant housing units | 5,364 | 5,826.94 | 5,831.61 | 5,836.29 |
| TENURE | | | | |
| Occupied housing units | 1,354 | 1,472.58 | 1,592.68 | 1,712.79 |

| | | | | |
|---|-------|----------|----------|----------|
| Owner occupied | 862 | 929.70 | 998.23 | 1,066.76 |
| Renter occupied | 492 | 541.55 | 591.86 | 642.16 |
| VACANCY STATUS | | | | |
| Vacant housing units | 5,364 | 5,826.94 | 5,831.61 | 5,836.29 |
| For rent | 831 | 778.23 | 785.32 | 792.42 |
| For sale only | 179 | 219.16 | 248.11 | 277.06 |
| Rented or sold, not occupied | 40 | 40.94 | 40.39 | 39.84 |
| For seasonal, recreational, or occasional use | 4,096 | 4,783.29 | 4,668.63 | 4,553.97 |
| For migratory workers | 0 | 0 | 0 | 0 |
| Other vacant | 218 | 246.39 | 265.02 | 283.65 |

Source: US Census and AEC

Table 20. Seasonal Units Occupied

| Seasonal Units Occupied | | | | | | | | | | | | | |
|---------------------------|-------|-------|-------|--------|-------|--------|--------|--------|--------|--------|-------|-------|-------|
| Average Daily Seasonal | Aver | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| Total Seasonal Units 4096 | | | | | | | | | | | | | |
| Occupancy Rate | 39% | 20% | 25% | 47% | 37% | 47% | 64% | 73% | 52% | 39% | 21% | 20% | 20% |
| Occupied Units | 1589 | 836 | 1021 | 1934 | 1534 | 1934 | 2631 | 2980 | 2134 | 1600 | 867 | 800 | 800 |
| Visitors | 10124 | 5,328 | 6,506 | 12,320 | 9,771 | 12,320 | 16,762 | 18,983 | 13,594 | 10,195 | 5,523 | 5,098 | 5,098 |
| Percent | | 4.4% | 5.4% | 10.1% | 8.0% | 10.1% | 13.8% | 15.6% | 11.2% | 8.4% | 4.5% | 4.2% | 4.2% |

Source: Texas Department of Tourism, AEC

Table 21 Projected Seasonal Visitors

| Projected Seasonal Visitors | | | | | | | | | | | | | |
|-----------------------------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|
| Average Daily Seasonal | Aver. | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| 2010 | 10,125 | 5,328 | 6,506 | 12,320 | 9,771 | 12,320 | 16,762 | 18,983 | 13,594 | 10,195 | 5,523 | 5,098 | 5,098 |
| 2015 | 11,011 | 5,795 | 7,075 | 13,398 | 10,626 | 13,398 | 18,230 | 20,645 | 14,784 | 11,088 | 6,006 | 5,544 | 5,544 |
| 2020 | 11,909 | 6,268 | 7,653 | 14,491 | 11,493 | 14,491 | 19,717 | 22,329 | 15,990 | 11,993 | 6,496 | 5,996 | 5,996 |
| 2025 | 12,808 | 6,740 | 8,230 | 15,584 | 12,360 | 15,584 | 21,203 | 24,013 | 17,196 | 12,897 | 6,986 | 6,449 | 6,449 |

Source: Texas Department of Tourism, AEC

B. Lodging Trends

The table below provides a summary of all hotels, resorts, motels, and condominiums on South Padre Island. There are a total of 232 facilities offering a total of 4,053 rooms. The number of rooms per facility range from one to 300 rooms. There are ten facilities with more than 100 rooms. Almost one-half of these facilities were built within the last ten years. An average of 153 rooms was added per year over the 2000 to 2010 period. Although there was a significant increase in the number rooms the occupancy rate remained stable indicating an increase in the overall number of visitors. Lodging facilities fall in the range of mid-range to economy; there are no luxury hotels on the Island or even the lower Rio Grande Valley.

Table 22. South Padre Island Hotels, Motels and Condominiums

| South Padre Island Hotels, Motels and Condominiums | | | | | |
|--|----------------------|--------------------|----|-------|----------|
| Hotel Name | Address | | | | Capacity |
| SPI RENTALS, LLC – BEACH | 6401B BEACH DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| AACE ENTERPRISES INC | 4901 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 10 |
| AMERICAS BEST VALUE INN | 3813 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 60 |
| AQUA VISTA | 121 E SATURN LN | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| AQUARIUS CONDO | 2000 GULF BLVD # 407 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| AQUARIUS CONDO | 2000 GULF BLVD # 507 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| BEACH HOTEL | 101 E CAPRICORN DR | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| BEACH HOUSE | 105 E CORRAL ST | SOUTH PADRE ISLAND | TX | 78597 | 3 |
| BEACH HOUSE VACATION RENTALS SPI INC | 108 E JUPITER LN | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| BEACH HOUSE VACATION RENTALS SPI INC | 5712 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 12 |
| BEACHSIDE INN | 4500 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 65 |
| BEACHVIEW CONDOMINIUMS | 2401 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 7 |
| BEACHWATERS | 6608 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 3 |
| BELLAVITA | 127 E GARDENIA ST | SOUTH PADRE ISLAND | TX | 78597 | 12 |
| BLUE BAY INN | 901 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 50 |

| | | | | | |
|----------------------------------|------------------------|--------------------|----|-------|----|
| BONITA ISLA RENTALS | 127 E DOLPHIN ST | SOUTH PADRE ISLAND | TX | 78597 | 6 |
| BRIDGEPOINT CONDOMINIUMS-PHASE I | 334 PADRE BOULEVARD | SOUTH PADRE ISLAND | TX | 78597 | 28 |
| CAPICORN#2 | 103 E CAPRICORN DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| CASA BELLA INN | 5601 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 45 |
| CASA DEL MAR | 119 E POLARIS DR | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| CASA DEL SOL CONDOMIMUMS | 123 E AMBERJACK ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| CASA MALBEC | 118 E LANTANA ST | SOUTH PADRE ISLAND | TX | 78597 | 3 |
| CASABELLA | 113 E LANTANA ST | SOUTH PADRE ISLAND | TX | 78597 | 12 |
| CHARLIE'S HOUSE | 105 E MARISOL DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| CLAYTON'S RESORT LLC | 6900 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 13 |
| CLOUD DANCER 1 | 106 E ATOL ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| CLOUD DANCER 7 | 106 E ATOL ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| CLOUD#7 | 106 E ATOL ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| COASTAL LIFESTYLES INC | 104 W BAHAMA ST STE B | SOUTH PADRE ISLAND | TX | 78597 | 30 |
| COMFORT SUITES | 912 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 74 |
| CONSTELLATION BEACH HOUSE | 116 E CONSTELLATION DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| DAHKTARI PENTHOUSE | 200 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |

| | | | | | |
|--------------------------------|-----------------------|--------------------|----|-------|----|
| DAYS INN | 3913 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 57 |
| DESTINATIONS @ SOUTH PADRE | 5600 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| EMBASSY CONDOMINIUMS | 2600 GULF BLVD # 304 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| FIESTA DEL SOL | 200 W ATOL ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| FIESTA DEL SO | 200 W ATOL ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| FIESTA DEL SOL | 200 W ATOL ST STE 113 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| FIESTA SOL | 115 E AMBERJACK ST | SOUTH PADRE ISLAND | TX | 78597 | 8 |
| FLAMINGO INN | 3408 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 29 |
| FLORENCE #1 | 5550 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| FRANKE RENTAL AND MANAGEMENT | 2605 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 15 |
| FURCRON PROPERTY MANAGEMENT CO | 4800 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 60 |
| GALLEON BAY | 4901 LAGUNA DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| GALLEON BAY | 4901 LAGUNA DR # 403 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| GALLEON BAY | 4901 LAGUNA DR # 406 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| GALLEON BAY | 4901 LAGUNA DR # 505 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| GALLEON BAY CLUB | 4901 LAGUNA DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| GALLEON_BAY CLUB | 4901 LAGUNA DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |

| | | | | | |
|----------------------------|-----------------------|--------------------|----|-------|-----|
| GARY W JOHNSON | 310A PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| GOMEZ RETREAT | 122 E CAPRICORN DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| GULF POINT CONDOMINIUMS | 200 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| GULFVIEW I RENTALS | 120 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 25 |
| HABITAT | 104 E PARADE DR # 16 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| HACIENDA DEL MAR | 113 E GARDENIA ST | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| HIBISCUS CONDOMINIUMS | 111 E HIBISCUS ST # 4 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| HIBISCUS CONDO | 111 E HIBISCUS ST # 2 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| HIBISCUS CONDOMINIUMS | 111 E HIBISCUS ST # 3 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| HILTON GARDEN INN | 7010 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 50 |
| HISBISCU CONDO_#1 | 111 E HIBISCUS ST # 1 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| HOLIDAY INN EXPRESS | 6502 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 104 |
| HOWARD JOHNSON EXPRESS INN | 1709 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 89 |
| INVERNESS | 5600 GULF BLVD # 703 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| INVERNESS #604 | 5600 GULF BLVD # 604 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| INVERNESS @ SOUTH PARDE | 5600 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| INVERNESS AT SOUTH PADRE | 5600 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |

| | | | | | |
|--|-------------------------|--------------------|----|-------|-----|
| INVERNESS AT SOUTH PADRE CONDO ASSOCIATION INC | 5600 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 85 |
| INVERNESS OF SOUTH PADRE ISLAND UNIT 600 | 5600 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| ISLA GRAND BEACH RESORT | 500 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 128 |
| ISLAND INN | 5100 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 23 |
| ISLAND SERVICES | 1700 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 30 |
| LA CASA AZUL VACATION RENTAL HOME | 126 E SATURN LN | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| LA COPA INN RESORT | 350 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 146 |
| LA PLAYA CONDOMINIUMS | 2308 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 17 |
| LA QUINTA INN & SUITES | 7000 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 147 |
| LAGUNA BAY | 200 W CORA LEE DR # 202 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| LANTANA HOUSE | 121 E LANTANA ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| LAS MARINAS | 5909 PADRE BLVD # 104 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| LAS MARINAS 203 | 5909 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| LAS PUERTAS | 123 E CAROLYN DR # 202 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| LAST RESORT | 120 E VENUS LN | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| MARISOL APARTMENTS | 1700 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 36 |
| MARLIN COTTAGES | 102 E MARLIN ST | SOUTH PADRE ISLAND | TX | 78597 | 3 |

| | | | | | |
|--------------------------|-------------------------|--------------------|----|-------|----|
| MARLIN HOUSE | 119 E MARLIN ST | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| MARLIN PLACE | 120 E MARLIN ST | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| MARS HOUSE | 115A E MARS LN | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| MCINTOSH CAMPBELL, INC. | 3213 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 33 |
| MESQUITE HOUSE | 130 E MESQUITE ST | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| MOTEL 6 #1237 | 4013 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 52 |
| OCEAN GARDEN | 200 W ATOL ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| OCEAN GARDEN # 3 | 102 E GARDENIA ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| OLEANDER PLACE | 120 E OLEANDER ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| PACIFICA | 200 W CORA LEE DR # 11 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| PADRE CONDO RENTAL | 125 E CORA LEE DR # 302 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| PADRE GETAWAYS | 700 PADRE BLVD STE D1 | SOUTH PADRE ISLAND | TX | 78597 | 35 |
| PADRE GRAND CONDOMINIUMS | 2100 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 19 |
| PADRE ISLAND RENTALS | 3100 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 10 |
| PADRE SOUTH CONDOMINIUMS | 1500 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| PADRE SOUTH HOTEL | 1500 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 63 |
| PALMS RESORT MOTEL | 3616 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 31 |

| | | | | | |
|----------------------------|-------------------------|--------------------|----|-------|-----|
| PARKLANE CONDOS | 108 E CORONADO DR | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| PATRICK H MARCHAN | 6300 PADRE BLVD APT 625 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| PEARL SOUTH PADRE | 310 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 256 |
| PELICAN'S COVE | 127 E SATURN LN | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| PUEBLO DEL PADRE #4A | 112 E SWORDFISH ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| PUEBLO DEL PADRE #5A | 112 E SWORDFISH ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| RAMADA | 4109 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 48 |
| ROYALE BEACH & TENNIS CLUB | 400 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| ROYALE BEACH & TENNIS CLUB | 400 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| ROYALE BEACH & TENNIS CLUB | 400 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 139 |
| SAIDA II 606 | 402 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SAIDA III | 406 PADRE BLVD # 3105 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SAIDA III | 406 PADRE BLVD # 3206 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SAIDA IV | 406 PADRE BLVD # 4704 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SAIDA IV | 406 PADRE BLVD # 4708 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SAIDA IV | 406 PADRE BLVD # 4804 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SAIDA RENTALS | 400 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 2 |

| | | | | | |
|--|-------------------------|--------------------|----|-------|-----|
| SAIDA TOWER IV UNIT 202 | 406 PADRE BLVD # 202 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SAN ANDRES CONDOMINIUMS | 130 E MARS LN | SOUTH PADRE ISLAND | TX | 78597 | 6 |
| SAN FRANCISCO | 105 E POMPAÑO ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SAND N SEA ON OLEANDER | 121 E OLEANDER ST | SOUTH PADRE ISLAND | TX | 78597 | 4 |
| SANDCASTLE CONDOMINIUMS | 208 W KINGFISH ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SANGRIA | 1400 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 40 |
| SAPPHIRE | 310 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 300 |
| SAPPHIRE 201 | 310 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SCHLITTERBAHN BEACH RESORT MANAGEMENT, LLC | 100 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 221 |
| SEA VISTA COMPLEX | 110 PADRE BLVD UNIT 403 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SEA VISTA COMPLEX | 112 PADRE BLVD # 317 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SEA VISTA COMPLEX UNIT 202 | 110 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SEA VISTA CONDOMINIUM | 110 PADRE BLVD # 119 | SOUTH PADRE ISLAND | TX | 78597 | 4 |
| SEA VISTA HOMEOWNERS ASSOCIATION | 110 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 25 |
| SEA VISTA 316, LLC | 110 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SEABREEZE BEACH RESORT INC | 540 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 50 |
| SEABREEZE 1 HOMEOWNERS' ASSOCIATION INC | 4300 GULF BOULEVARD | SOUTH PADRE ISLAND | TX | 78597 | 10 |

| | | | | | |
|--|-----------------------|--------------------|----|-------|-----|
| SEABREEZE1 #304 | 4300 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SEASCAPE CONDOMINIUMS | 117 E VERNA JEAN DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SERVICE 24 | 2100 PADRE BLVD STE 4 | SOUTH PADRE ISLAND | TX | 78597 | 80 |
| SHERMAN LEE CO INC | 227 W MORNINGSIDE | SOUTH PADRE ISLAND | TX | 78597 | 26 |
| SOLEIL CONDOMINIUMS | 131 E SATURN LN | SOUTH PADRE ISLAND | TX | 78597 | 3 |
| SOUTH BEACH INN | 120 E JUPITER LN | SOUTH PADRE ISLAND | TX | 78597 | 11 |
| SOUTH PADRE BEACH HOUSES INC | 5009 PADRE BLVD # 8 | SOUTH PADRE ISLAND | TX | 78597 | 7 |
| SOUTH PADRE BEACH RESORT | 100 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 227 |
| SOUTH PADRE ISLAND KOA | 1 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 4 |
| SOUTH PADRE MOTEL | 204 W GARDENIA ST | SOUTH PADRE ISLAND | TX | 78597 | 17 |
| SPI RENTALS, LLC - AQUARIUS CONDOMINIUMS | 2000 GULF BLVD # 501 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - BAYVIEW AVE | 6500 BAYVIEW AVE | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - BEACH WALK | 118 E HIBISCUS ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - BEACH WALK | 118 E HIBISCUS ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - CAMPECHE ST | 130 E CAMPECHE ST # 1 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - CONTINENTAL | 4908 GULF BLVD # 104 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - FOUNTAIN WAY | 6508A FOUNTAIN WAY | SOUTH PADRE ISLAND | TX | 78597 | 1 |

| | | | | | |
|--|---------------------------------|--------------------|----|-------|---|
| SPI RENTALS, LLC - GULF BLVD | 5206 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - GULF BLVD | 5208 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - HIBISCUS ST | 129 E HIBISCUS ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - ISLAND BREEZE | 127 E CORA LEE DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - ISLANDER | 6509 FOUNTAIN WAY | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - LA INTERNACIONAL | 5008 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - LA SOLANA | 206 W RED SNAPPER ST # 114 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - LAGUNA BAY | 200 W CONSTELLATION DR UNIT 202 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - LANTANA | 115 E LANTANA ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - LOGNITO TOWNHOUSE | 110 E MESQUITE ST UNIT B | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - MARIPOSA | 113 E PIKE ST # 3 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - MARS LN | 113 E MARS LN | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - MORNINGSIDE | 125 E MORNINGSIDE DR # 2301 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - OLEANDER | 120 E OLEANDER ST # 103 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - PUERTA VALLARTA | 5318 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - SAPPHIRE CONDOMINIUMS | 310 PADRE BLVD # 208 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - SAUDA | 104 W BAHAMA ST STE B | SOUTH PADRE ISLAND | TX | 78597 | 1 |

| | | | | | |
|-------------------------------------|----------------------------|--------------------|----|-------|----|
| SPI RENTALS, LLC - SEAGLAS | 115 E ACAPULCO ST # 7 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - SURFSIDE | 308 E MORNINGSIDE UNIT 201 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - TIERRA ENCANTADA | 220 W CORA LEE DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - TORTUGA BAY | 100 W HARBOR ST UNIT 4 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - VILLAS DOCE | 107 VILLAS DOCE | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - VILLAS DOCE | 110 VILLAS DOCE | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC - INVERNESS | 104 W BAHAMA ST STE B | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC-LAS MARINAS #402 | 5909 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC-LAS MARINAS #408 | 5909 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC-LAS MARINAS 103 | 5909 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC-SAPPHIRE 1308 | 104 W BAHAMA ST STE B | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC-SAPPHIRE 1808 | 104 W BAHAMA ST STE B | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SPI RENTALS, LLC-SUFSIDE | 115 E CORONADO DR # 208 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| STAR DANCER | 109 E RETAMA ST # 7 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SUITES AT SUNCHASE | 1004 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 90 |
| SUNCHASE CONDOMINIUMS | 1010 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 40 |
| SUNCHASE PADRE RESORT RENTALS INC | 1004 PADRE BLVD STE K1 | SOUTH PADRE ISLAND | TX | 78597 | 4 |

| | | | | | |
|----------------------------------|-----------------------|--------------------|----|-------|----|
| SUNRISE I | 106 W CORRAL ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SUNRISE II | 126 E GEORGIA RUTH DR | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| SUNSET LANDING | 102 E JUPITER LN | SOUTH PADRE ISLAND | TX | 78597 | 3 |
| SUNTIDE II | 4400 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 30 |
| SUNTIDE III RENTAL ASSOCIATION | 3000 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 50 |
| SUPER 8 MOTEL | 4205 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 65 |
| SURF MOTEL | 2612 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 30 |
| SURFSIDE I | 125 CORONADO DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SURFSIDE II | 5601 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SURFSIDE LL #100 | 5601 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SURFSIDE LL #102 | 5601 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SURSIDE LANDING | 123 E SATURN LN # 1 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SWEETWATER AT SOUTH PADRE ISLAND | 1010 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| SWORDFISH DUPLEX | 122 E SWORDFISH ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| TEXAS BEACH HOUSE | 5312 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 3 |
| THE BAHAMA BEACH HOUSE | 121 E BAHAMA ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| THE VILLAS | 6401 FOUNTAIN WAY | SOUTH PADRE ISLAND | TX | 78597 | 1 |

| | | | | | |
|--------------------------------|----------------------|--------------------|----|-------|-----|
| THE VILLAS | 6500 BAYVIEW AVE | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| THE WAVES | 131 E ATOL ST | SOUTH PADRE ISLAND | TX | 78597 | 4 |
| TIERRA ENCANTADA #401 | 220 W CORA LEE DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| TIERRA ENCATADA | 220 W CORA LEE DR | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| TIKI CONDOMINUMS #330 | 6608 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| TIKI RENTAL POOL PARTNERSHIP | 6608 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 50 |
| TRAVELODGE | 6200 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 150 |
| TROPICAL REALTY & RENTALS, INC | 108 E DOLPHIN ST | SOUTH PADRE ISLAND | TX | 78597 | 6 |
| VACATION VILLAS | 123 E OLEANDER ST | SOUTH PADRE ISLAND | TX | 78597 | 14 |
| VACATION VILLAS | 310 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 10 |
| VACATION VILLAS | 3400 GULF BLVD # 302 | SOUTH PADRE ISLAND | TX | 78597 | 3 |
| VACATION VILLAS | 3400 GULF BLVD # 303 | SOUTH PADRE ISLAND | TX | 78597 | 8 |
| VACATION VILLAS | 5611 LAGUNA CIR S | SOUTH PADRE ISLAND | TX | 78597 | 10 |
| VACATION VILLAS | 5809 GULF BLVD | SOUTH PADRE ISLAND | TX | 78597 | 10 |
| VACATION VILLAS OF SOUTH PADRE | 112 E GARDENIA ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| VACATION VILLAS OF SOUTH PADRE | 119 E GARDENIA ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| VACATION VILLAS OF SOUTH PADRE | 121 E GARDENIA | SOUTH PADRE ISLAND | TX | 78597 | 1 |

| | | | | | |
|---------------------------------------|----------------------|--------------------|----|-------|-------|
| VACATION VILLAS OF SOUTH PARDE ISLAND | 110 E GARDENIA ST | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| VENTURA | 121 E VENUS LN | SOUTH PADRE ISLAND | TX | 78597 | 5 |
| VRIETY ROYALE BEACH AND TENNIS CLUB | 400 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 6 |
| WHITE SANDS | 120 E VERNA JEAN DR | SOUTH PADRE ISLAND | TX | 78597 | 2 |
| WHITE SANDS | 113 WHITE SANDS | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| WIND DANCER | 114A E BAHAMA ST # 3 | SOUTH PADRE ISLAND | TX | 78597 | 1 |
| WINDWATER HOTEL | 5701 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 60 |
| 3 PADRES LLC | 310A PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 4 |
| 340 PADRE ISLAND RESORT & SPA LLC | 340 PADRE BLVD | SOUTH PADRE ISLAND | TX | 78597 | 39 |
| Total | | | | | 4,053 |

Source: Texas Department of Tourism, AEC

Table 23 provides a summary of the lodging occupancy rate on the Island. For hotels and motels the occupancy rate ranges from 21.7% in January to 82.4% in July with an average rate of 49.9%. The occupancy rate for condominiums ranges from 15% in November to 67% in July with an average rate of 46.3%. The combined occupancy rate for all lodging is 48.2%.

Table 23. South Padre Island Lodging Occupancy Rate

| SPI Lodging Occupancy Rates by Month | | | |
|--------------------------------------|---------------|-------------|---------|
| Month | Hotel & Motel | Condominium | Average |
| January | 21.7% | 48.0% | 34.1% |
| February | 32.1% | 56.0% | 43.3% |
| March | 69.6% | 58.0% | 64.1% |
| April | 44.6% | 56.0% | 49.9% |
| May | 62.0% | 48.0% | 55.4% |

| | | | |
|-----------|-------|-------|-------|
| June | 74.7% | 61.0% | 68.3% |
| July | 82.4% | 67.0% | 75.2% |
| August | 72.5% | 62.0% | 67.6% |
| September | 51.1% | 46.0% | 48.7% |
| October | 36.5% | 18.0% | 27.8% |
| November | 26.5% | 15.0% | 21.1% |
| December | 25.3% | 21.0% | 23.3% |
| Average | 49.9% | 46.3% | 48.2% |

Source: Texas Department of Tourism, AEC

We project that the number of lodging visitors will increase from 29,412 in 2010 to 31,987 in 2015; 34,596 in 2020; and 37,205 in 2025. During peak months, and especially July, the Island is operating at close to full capacity. However, during off-peak months, activity drops dramatically. Devising an off-peak promotional strategy could have a bigger impact on the economy of the Island, and hospitality and tourism in particular than promotional strategies for peak months. Table 24 shows the seasonality of the lodging industry on South Padre Island.

Table 24. South Padre Island Projected Lodging Visitors

| Projected Lodging Visitors | | | | | | | | | | | | | |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Aver. | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| 2010 | 29,412 | 19,176 | 24,395 | 36,100 | 28,115 | 31,190 | 38,424 | 42,312 | 38,045 | 27,414 | 15,648 | 11,878 | 13,093 |
| 2015 | 31,987 | 20,856 | 26,531 | 39,261 | 30,578 | 33,922 | 41,789 | 46,018 | 41,377 | 29,815 | 17,019 | 12,918 | 14,239 |
| 2020 | 34,596 | 22,557 | 28,695 | 42,464 | 33,072 | 36,689 | 45,198 | 49,771 | 44,752 | 32,247 | 18,407 | 13,971 | 15,401 |
| 2025 | 37,205 | 24,258 | 30,859 | 45,666 | 35,566 | 39,455 | 48,606 | 53,524 | 48,126 | 34,679 | 19,795 | 15,025 | 16,562 |

Source: Texas Department of Tourism, AEC

1. Recreational Vehicle Visitors

Recreational vehicle visitors constitute a small fraction of the market for lodging on the Island. The Island currently has 754 sites in two large parks, while the whole of Cameron County has an astounding 8,923 RV sites. Table 25 below provides a summary of recreational vehicles sites and occupancy rates. The occupancy rate ranges from 18% in October to 83% in July and it is

unevenly distributed. We project an average annual increase in the number of recreational vehicle visitors of 1.75% by 2015; 0.73% by 2020; and 0.62% by 2025.

Table 25. South Padre Island Recreational Vehicle Sites

| South Padre Island Recreational Vehicle Sites | | | | | | | | | | | | | |
|---|-------|------|------|------|------|-------|-------|-------|-------|------|------|------|------|
| Isla Blanca Park | 540 | | | | | | | | | | | | |
| South Padre Island KOA | 214 | | | | | | | | | | | | |
| Total Sites | 754 | | | | | | | | | | | | |
| | Aver. | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| Occupancy Rate | 43% | 26% | 29% | 37% | 36% | 58% | 65% | 83% | 68% | 49% | 18% | 23% | 25% |
| Occupied Units | 325 | 196 | 219 | 279 | 271 | 437 | 490 | 626 | 513 | 369 | 136 | 173 | 189 |
| Visitors | 684 | 413 | 460 | 587 | 572 | 921 | 1032 | 1318 | 1080 | 778 | 286 | 365 | 397 |
| Percent | | 5.0% | 5.6% | 7.2% | 7.0% | 11.2% | 12.6% | 16.1% | 13.2% | 9.5% | 3.5% | 4.4% | 4.8% |

Source: Texas Department of Tourism, AEC

Table 26. Projected Seasonal Visitors

| Projected Seasonal Visitors | | | | | | | | | | | | | |
|-----------------------------|-------|-----|-----|-----|-----|------|------|------|------|------|-----|-----|-----|
| Average Daily Seasonal | Aver. | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| 2010 | 684 | 413 | 460 | 587 | 572 | 921 | 1032 | 1318 | 1080 | 778 | 286 | 365 | 397 |
| 2015 | 744 | 449 | 501 | 639 | 622 | 1001 | 1122 | 1433 | 1174 | 846 | 311 | 397 | 432 |
| 2020 | 771 | 465 | 519 | 662 | 644 | 1037 | 1163 | 1485 | 1216 | 876 | 322 | 411 | 447 |
| 2025 | 795 | 480 | 535 | 683 | 664 | 1070 | 1199 | 1532 | 1255 | 904 | 332 | 424 | 461 |

Source: Texas Department of Tourism, AEC

2. Day Visitors

Day visitors make up the bulk of visitors to South Padre Island. Most of the visitors are from surrounding communities within driving distance. The total number of visitors is 4.35 million annually. Day visitor trends follow the same pattern as other visitors. The projection is that the number of visitors will increase by an average annual rate close to 2%. This segment of the market does not generate significant economic impact. However, by the sheer size of this segment, devising strategies to increase spending by day visitors could generate a sizable economic impact.

Table 27. Day Visitors

| Day Visitors | | | | | | | | | | | | | |
|--------------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Annual | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| Total Visitors | 4,349,225 | 295,179 | 352,789 | 419,179 | 331,411 | 373,577 | 515,640 | 560,600 | 463,427 | 283,606 | 267,346 | 243,591 | 242,880 |
| Number of overnight facilities | | | | | | | | | | | | | |
| | 639,650 | 43,413 | 51,885 | 61,650 | 48,741 | 54,943 | 75,836 | 82,449 | 68,157 | 41,710 | 39,319 | 35,825 | 35,721 |
| Number of Day Visitors | | | | | | | | | | | | | |
| | 3,709,575 | 251,767 | 300,904 | 357,529 | 282,670 | 318,634 | 439,804 | 478,151 | 395,270 | 241,895 | 228,027 | 207,766 | 207,159 |

Source: Texas Department of Tourism, AEC

Table 28. Projected Day Visitors

| Projected Day Visitors | | | | | | | | | | | | | |
|------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Annual | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| 2010 | 3,709,575 | 251,767 | 300,904 | 357,529 | 282,670 | 318,634 | 439,804 | 478,151 | 395,270 | 241,895 | 228,027 | 207,766 | 207,159 |
| 2015 | 4,034,438 | 273,815 | 327,255 | 388,840 | 307,424 | 346,538 | 478,319 | 520,025 | 429,885 | 263,079 | 247,997 | 225,961 | 225,301 |
| 2020 | 4,363,501 | 296,148 | 353,947 | 420,555 | 332,499 | 374,803 | 517,333 | 562,440 | 464,948 | 284,536 | 268,224 | 244,391 | 243,677 |
| 2025 | 4,692,564 | 318,482 | 380,639 | 452,270 | 357,573 | 403,068 | 556,346 | 604,855 | 500,011 | 305,994 | 288,451 | 262,821 | 262,053 |

Source: Texas Department of Tourism, AEC

3. Summary of Daily Island Population

Table 29 provides a summary of projected daily traffic on the Island. The table adds the number of permanent residents and visitors by segment and determines the daily population on the Island. In 2010, there was an average of 352,168 people on South Padre Island each month. By 2015, over 382,762 people will be on the Island each month, including over 590,937 people in July 2015. This represents a total growth in visitation of approximately 1.73% annually for the next five years. The number of people on the Island in November is 45.7% the number of people in July.

Table 29. Projected South Padre Island Average Population

| Projected South Padre Island Average Population | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Aver. | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| 2010 | | | | | | | | | | | | | |
| Residents | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 |
| Hotel/Condominium | 29,412 | 19,176 | 24,395 | 36,100 | 28,115 | 31,190 | 38,424 | 42,312 | 38,045 | 27,414 | 15,648 | 11,878 | 13,093 |
| Seasonal | 10,125 | 5,328 | 6,506 | 12,320 | 9,771 | 12,320 | 16,762 | 18,983 | 13,594 | 10,195 | 5,523 | 5,098 | 5,098 |
| RV | 684 | 413 | 460 | 587 | 572 | 921 | 1032 | 1318 | 1080 | 778 | 286 | 365 | 397 |
| Day Visitors | 309,131 | 251,767 | 300,904 | 357,529 | 282,670 | 318,634 | 439,804 | 478,151 | 395,270 | 241,895 | 228,027 | 207,766 | 207,159 |
| Total | 352,168 | 279,500 | 335,080 | 409,352 | 323,943 | 365,881 | 498,838 | 543,580 | 450,804 | 283,099 | 252,300 | 227,922 | 228,562 |
| 2015 | | | | | | | | | | | | | |
| Residents | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 |
| Hotel/Condominium | 31,987 | 20,856 | 26,531 | 39,261 | 30,578 | 33,922 | 41,789 | 46,018 | 41,377 | 29,815 | 17,019 | 12,918 | 14,239 |
| Seasonal | 11,011 | 5,795 | 7,075 | 13,398 | 10,626 | 13,398 | 18,230 | 20,645 | 14,784 | 11,088 | 6,006 | 5,544 | 5,544 |
| RV | 744 | 449 | 501 | 639 | 622 | 1,001 | 1,122 | 1,433 | 1,174 | 846 | 311 | 397 | 432 |
| Day Visitors | 336,203 | 273,815 | 327,255 | 388,840 | 307,424 | 346,538 | 478,319 | 520,025 | 429,885 | 263,079 | 247,997 | 225,961 | 225,301 |
| Total | 382,762 | 303,731 | 364,178 | 444,954 | 352,066 | 397,676 | 542,276 | 590,937 | 490,037 | 307,644 | 274,148 | 247,636 | 248,332 |
| 2020 | | | | | | | | | | | | | |
| Residents | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 |
| Hotel/Condominium | 34,596 | 22,557 | 28,695 | 42,464 | 33,072 | 36,689 | 45,198 | 49,771 | 44,752 | 32,247 | 18,407 | 13,971 | 15,401 |
| Seasonal | 11,909 | 6,268 | 7,653 | 14,491 | 11,493 | 14,491 | 19,717 | 22,329 | 15,990 | 11,993 | 6,496 | 5,996 | 5,996 |
| RV | 771 | 465 | 519 | 662 | 644 | 1,037 | 1,163 | 1,485 | 1,216 | 876 | 322 | 411 | 447 |
| Day Visitors | 363,625 | 296,148 | 353,947 | 420,555 | 332,499 | 374,803 | 517,333 | 562,440 | 464,948 | 284,536 | 268,224 | 244,391 | 243,677 |
| Total | 413,718 | 328,254 | 393,629 | 480,987 | 380,524 | 429,836 | 586,226 | 638,841 | 529,722 | 332,469 | 296,265 | 267,586 | 268,337 |
| 2025 | | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Residents | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 | 2,816 |
| Hotel/Condominium | 37,205 | 24,258 | 30,859 | 45,666 | 35,566 | 39,455 | 48,606 | 53,524 | 48,126 | 34,679 | 19,795 | 15,025 | 16,562 |
| Seasonal | 12,808 | 6,740 | 8,230 | 15,584 | 12,360 | 15,584 | 21,203 | 24,013 | 17,196 | 12,897 | 6,986 | 6,449 | 6,449 |
| RV | 795 | 480 | 535 | 683 | 664 | 1,070 | 1,199 | 1,532 | 1,255 | 904 | 332 | 424 | 461 |
| Day Visitors | 391,047 | 318,482 | 380,639 | 452,270 | 357,573 | 403,068 | 556,346 | 604,855 | 500,011 | 305,994 | 288,451 | 262,821 | 262,053 |
| Total | 444,671 | 352,776 | 423,079 | 517,019 | 408,979 | 461,994 | 630,171 | 686,740 | 569,405 | 357,290 | 318,380 | 287,535 | 288,341 |

V. RESIDENTIAL MARKET ANALYSIS

A. Projected Housing Demand on South Padre Island

a- Projected Permanent Residential Demand on South Padre Island

New permanent residential development on the Island increased at an average of 14 houses per year, an average annual rate of 1.18% over the last ten years. During that same period new seasonal housing development added an average of 203 houses per year, an average annual increase of 9.81%. Our analysis shows that although the number of occupied housing increased by 143 units over the period 2000-2010, the number of seasonal units increased by 2,028 units. The increase in seasonal housing represents more than fourteen fold increase relative to permanent residential housing, and a decline in the share of permanent residential housing as a percent of total housing. In 2000, the ratio of permanent housing to total housing was 25.8%. By 2010, the share of permanent houses decreased to 20.2%. In addition, the increase in population and households on the Island was very modest (1.63%, 1.18% per year) compared to the increase in new housing (4.34%). The data clearly show that the Island is a vacation destination and its real estate market is primarily a market for second homes and seasonal homes. Based on this data we project the demand for permanent residential housing to increase at an average annual rate of 1.1%.

b- Total Projected Residential Demand on South Padre Island

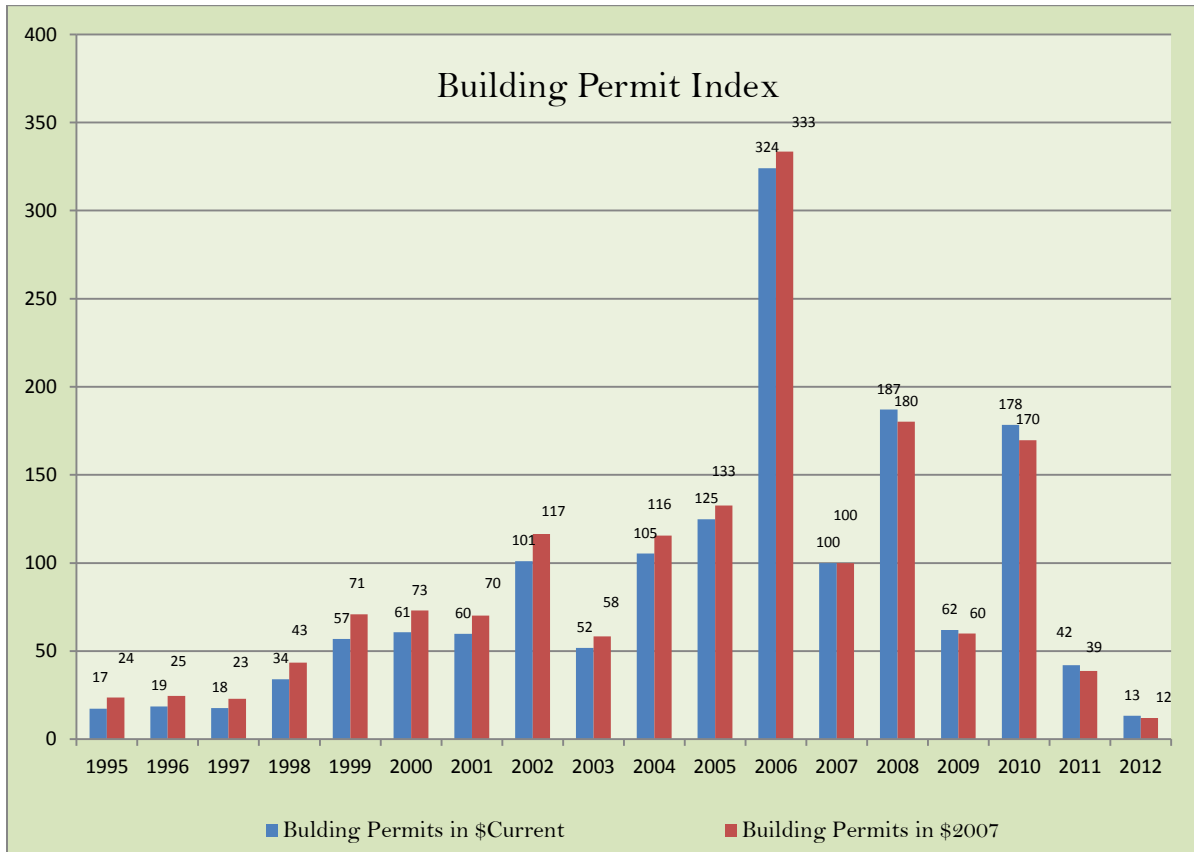
Based upon historical change in annual housing demand, population and household growth rates, projected daily causeway traffic, and economic changes in the catchment area, particularly on the Mexican side, we project in new residential housing to increase at average annual rate of 3.7% for the next 10 years. Most of the increase will be in the form of seasonal housing. Seasonal housing is projected to increase at an average annual rate of 9.8% while permanent residential housing will increase at an average rate of 1.1% annually. The disparity in the growth rate of

the two type of housing will cause the share of permanent housing to total housing to continue to decline.

The average household income in South Padre Island is approximately \$79,000. This suggests that the average permanent household in the trade area can afford a \$280,000 home. However, the Island demographics is very different that U.S. and Texas demographics. Household size on the Island is 2.08 people compared to 2.58 in the U.S. and 2.75 in Texas. Median age for South Padre Island's residents is 52.1 compared to 37.2 in the U.S. and 33.6 in Texas. The mortgage status of owner occupied housing on the Island is also different from mortgage status in the U.S. and Texas. On the Island 35.6% of owner occupied housing has a mortgage compared to 67.1% in the U.S. and 62.5% in Texas. The typical south Padre Island household is smaller, older, more affluent, and does not carry a mortgage. Furthermore, the permanent residents' segment on the Island is relatively small and has remained relatively stable over the last 10 years. Almost all new housing developments over the last 10 years have been seasonal housing developments. We expect seasonal housing to continue to dominate housing developments. The new emerging trend in housing development is characterized by periodic sharp spikes in building permit valuations followed by periods of relatively low building permit valuations. We do not expect this trend to change.

In the following figure, between 1995 and 2001 building permits in South Padre Island grew steadily at a relatively stable rate. In 2002, building permits increased by 67% relative to 2001 and declined in 2003 by 50%. In 2004 and 2005 building permits increase to levels similar to 2001. In 2006, building permits increased by more than 150% relative to 2005 and declined in 2007. This pattern repeats itself in 2008 and 2010. After 2010, building permits dropped to per-1998 levels. This decline is the result of the economic and financial crisis and the subsequent housing crisis. The new pattern in the data indicates that there is an increase in new multi-units high rise developments. The spike in building permits in one year is usually followed by a period of low building permits. One of the reasons for this alternating pattern is that it takes time for the market to absorb the significant increase in the number of new housing units.

Figure 10. South Padre Island Building Permits Index



Source: South Padre Island Economic Development Corporation and AEC.

D. Hotel Demand on South Padre Island

AEC’s projections for hotel demand on South Padre Island is based on historical trends in visitation and occupancy tax revenues, occupancy rates, construction of new hotels and condominiums, visitor demographics and lodging alternatives. AEC has projected the demand for additional hotel rooms on South Padre Island for the coming decade to increase at 3.7% annually for the next 10 years. Although the number of hotel rooms and condominiums have increase dramatically over the last 10 years, the occupancy rate has remain steady suggesting that the number of overnight visitors has increased at roughly the same rate as the increase in lodging facilities. Currently, the hotel industry average occupancy rate is 49% this rate indicates that there is excess capacity. However, an occupancy rate of approximately 55% would need to be attained to justify new hotel construction. The lodging and accommodation market has remained stable but very seasonal. During the peak months, the lodging industry operates at close to full

capacity, especially in July. During off-peak months the occupancy rate plummets. For the lodging industry to reach occupancy rate in the 55% to 60% range, it must improve its occupancy rate during off-peak months.

One key feature of the lodging and accommodation industry in Rio Grande Valley in general and South Padre Island in particular is the absence of a major luxury full service hotel. The increased in economic activities on both sides of the border especially activities related to the petroleum industry, manufacturing, and aerospace related projects such as SpaceX could generate enough year-round demand to justify the development of a full service luxury hotel. In addition, the proximity of SpaceX launch site to South Padre Island may attract a considerable number of visitors to the Island to witness the launching of space crafts.

VII. COMMERCIAL AND RETAIL MARKET ANALYSIS

One of the key determinants of demand for commercial and retail space is traffic. Texas Turnpike Authority (TTA) of Texas Transportation Department (TxDOT) causeway crossing data show that causeway crossings increased from 5.7 million in 1990 to 8.21 million in 2009. Traffic crossing peaked in 2009 before declining to 7.63 million in 2013. The decline was due to the recession and a slow recovering economy. The Island principal vocation is hospitality and tourism which is highly sensitive to business cycle fluctuations. Although traffic data shows a decline in crossing since 2009, visitors spending as shown by the causeway effective crossing index, has increased over the same period. We expect causeway crossing to resume its pre recession upward trend and to increase to 8 million crossings by the end of 2015. In the previous visitors study report it was estimated that close to 90% of the demand for retail space in the area comes from secondary markets, mostly tourists. With the expected increase in crossings, the recovering economy and real estate market, and the growing economies of Mexican border states, will stimulate the demand for more complimentary services, such as commercial, retail, and office space in South Padre Island.

We analyzed Gross retail sales and taxable retail sales for South Padre Island and Cameron County. It can be seen in the following table that Cameron County had a total of \$7.2 billion of

gross retail sales in 2013. From 2002 - 2013, retail sales grew by over 37.8% in the region as a whole. South Padre Island totaled approximately \$153.4 million in gross retail sales in 2013. From 2002 to 2013 Gross retail sales in South Padre Island increased by 68.8%.

In 2002, SPI has accounted for between 1.75% of total Cameron County gross retail sales and 3.4% of Taxable retail sales. In 2013, the Island's share of Cameron County gross retail sales and taxable retail sales increased to 2.1% and 4% respectively. In addition to having a faster growth in gross sales tax sales relative to Cameron County, the Island taxable sales are also proportionally larger as a percent of total sales when compared with Cameron County. Taxable retail sales in South Padre Island represent 74.1% of gross retail sales compared to 39.3% in Cameron County.

Table 30. Gross Retail Sales Cameron County and South Padre Island

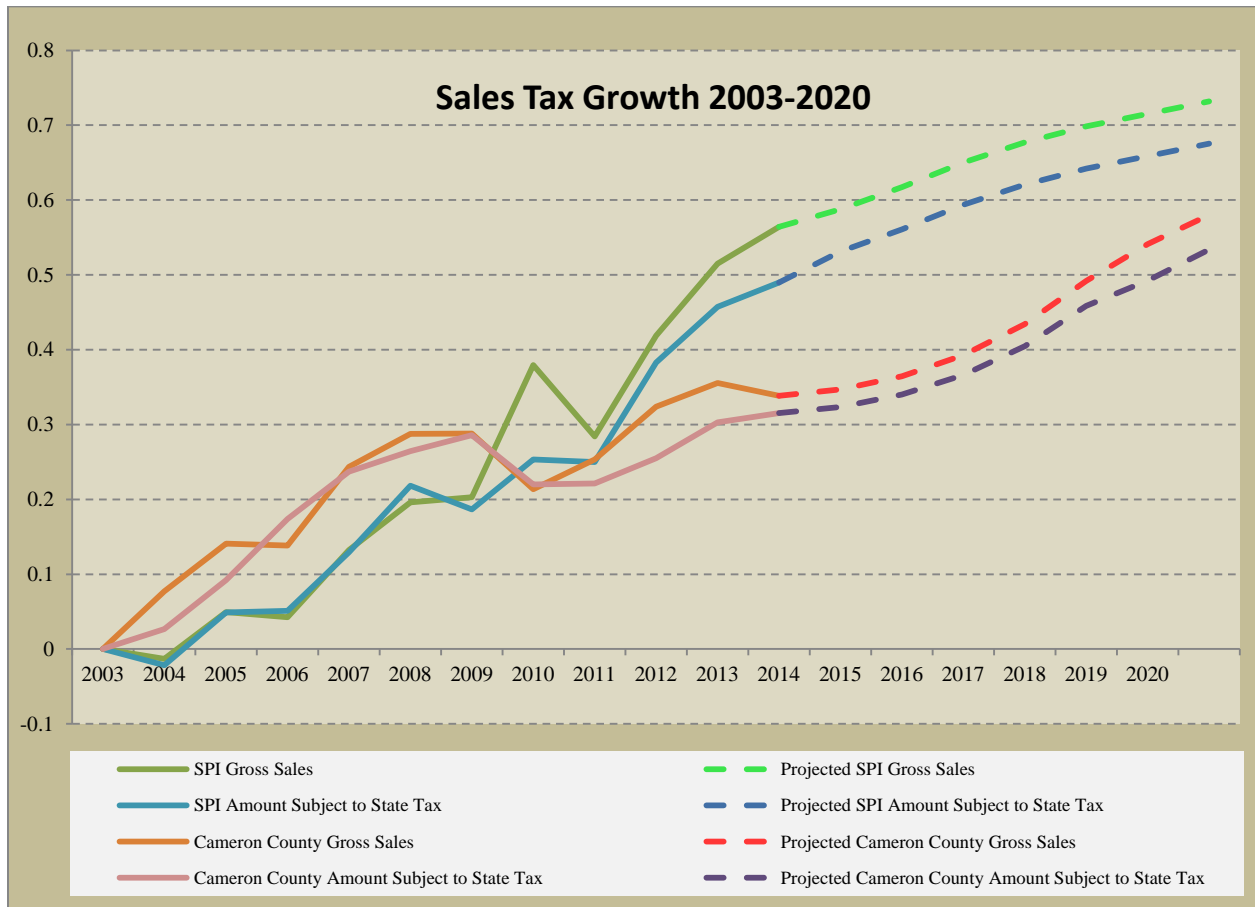
| Year | South Padre Island | | | | Cameron County | | | |
|------|--------------------|----------------|-----------------------------|----------------|----------------|----------------|-----------------------------|----------------|
| | Gross Sales | Percent Change | Amount Subject to State Tax | Percent Change | Gross Sales | Percent Change | Amount Subject to State Tax | Percent Change |
| 2002 | 90,888,384 | - | 71,405,309 | - | 5,191,009,305 | - | 2,076,360,540 | - |
| 2003 | 89,702,775 | -1.30% | 69,856,892 | -2.17% | 5,592,385,731 | 7.73% | 2,131,678,743 | 2.66% |
| 2004 | 95,315,643 | 6.26% | 74,788,268 | 7.06% | 5,947,550,820 | 6.35% | 2,271,444,746 | 6.56% |
| 2005 | 94,632,060 | -0.72% | 74,943,272 | 0.21% | 5,932,789,053 | -0.25% | 2,456,504,061 | 8.15% |
| 2006 | 103,134,313 | 8.98% | 80,802,375 | 7.82% | 6,556,684,125 | 10.52% | 2,611,811,315 | 6.32% |
| 2007 | 109,697,677 | 6.36% | 87,992,794 | 8.90% | 6,846,630,312 | 4.42% | 2,683,968,437 | 2.76% |
| 2008 | 110,451,815 | 0.69% | 85,222,054 | -3.15% | 6,848,843,741 | 0.03% | 2,741,553,206 | 2.15% |
| 2009 | 129,951,762 | 17.65% | 90,895,868 | 6.66% | 6,339,981,841 | -7.43% | 2,561,041,822 | -6.58% |
| 2010 | 117,574,849 | -9.52% | 90,589,387 | -0.34% | 6,591,605,508 | 3.97% | 2,563,692,366 | 0.10% |
| 2011 | 133,442,846 | 13.50% | 102,639,492 | 13.30% | 7,056,838,295 | 7.06% | 2,650,521,748 | 3.39% |
| 2012 | 146,244,428 | 9.59% | 110,289,412 | 7.45% | 7,278,028,263 | 3.13% | 2,777,014,485 | 4.77% |
| 2013 | 153,445,210 | 4.92% | 113,839,076 | 3.22% | 7,154,047,152 | -1.70% | 2,812,267,327 | 1.27% |

Source: Texas office of the Comptroller and AEC

A. Projected Demand for Additional Retail Space on South Padre Island

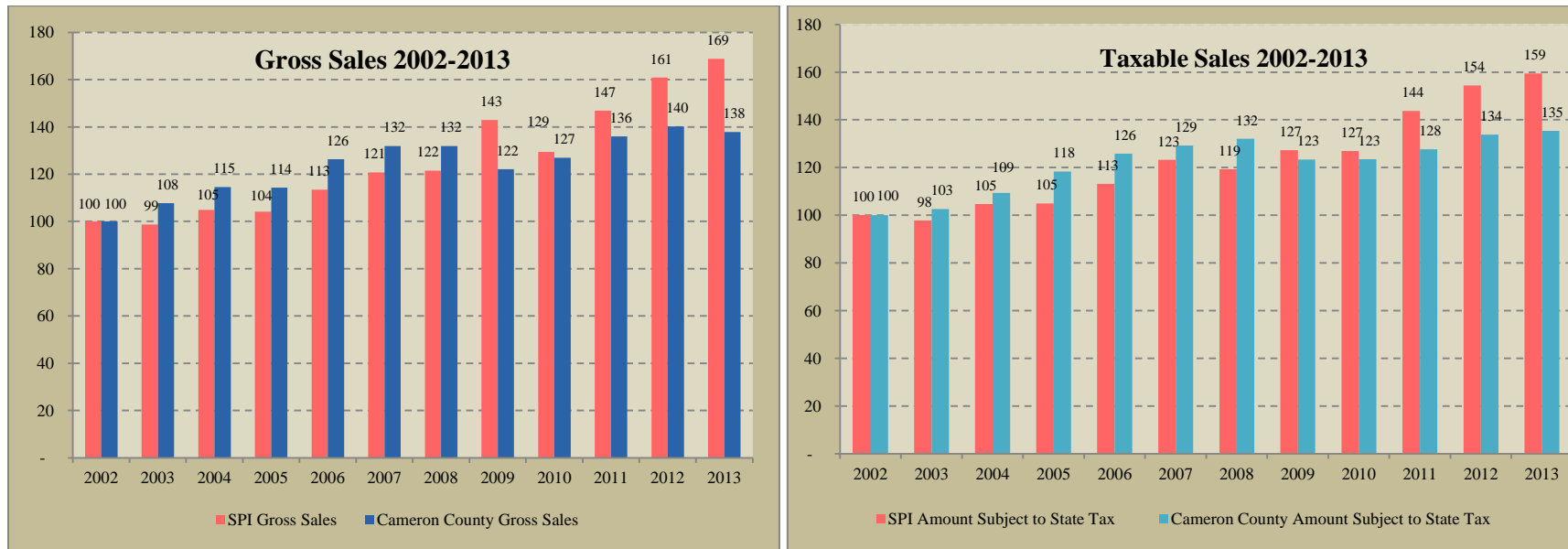
In Figure 11 we project sales tax revenue based on existing sales taxes, sales tax trend, and projected growth of all visitor segments. Sales tax revenues are projected to grow at an annual average increase of 5.3% over the next 10 years. Permanent residents are estimated to comprise 10.6% of these sales, overnight visitors 46.8% of sales, and day visitors the remaining 42.6%. Total sales in 2013 averaged \$20.11 per person per day.

Figure 11. Projected Sales Tax Revenue 2003-2020



Source: South Padre Island Economic Development Corporation, Texas office of the Comptroller, and AEC

Figure 12. Gross Sales and Taxable Sales in Cameron County and South Padre Island 2003-2013



Source: South Padre Island Economic Development Corporation, Texas office of the Comptroller, and AEC

B. Retail Competition

Retail establishments in South Padre Island cater principally to visitors. Eating and Drinking Places, Clothing, Apparel and Accessories, and Grocery/Convenience represent 65% of all retail establishments. Square footage of retail establishments varies by type of retail. A list of retail establishment by type is presented in the table below.

The compiled list shows that there is a lack of retail diversity on the Island. The reasons for this lack of diversity are the high volatility in economic activity and the seasonal aspect of the economy of South Padre Island, a small permanent population, as the number of permanent which is not sufficient to support a diverse retail sectors year-round, and the inability of potential retailers to recognize the potential value of the day visitors.

Table 31. Retail establishments by Type

| Retail Type | Number of Stores | Estimated Retail Space |
|-----------------------------------|------------------|------------------------|
| Hardware | 1 | 3,500 |
| Grocery/Convenience | 11 | 38,500 |
| Automotive | 1 | 3,200 |
| Clothing, Apparel and Accessories | 11 | 112,119 |
| Furniture and Equipment | 5 | 12,100 |
| Eating and Drinking Places | 39 | 173,360 |
| Drug and Proprietary | 1 | 9,300 |
| Other Retail | 52 | 196,494 |
| Total | 173 | 548,573 |

Source: LMCI and AEC

C. Retail Development Potentials at South Padre Island

The market potentials for retail development in South Padre Island are shaped by supply and demand determinants. On the supply side, the seasonality of the Island's economy represents one of the main impediments to the establishment of a diversified retail base. The variability in activity between peak and off-peak months is very pronounced; it is more than three times the

variability in Galveston and Corpus Christi. The geographic distribution of retail establishments and poor walkability between retail and commercial establishments affects the experience of shoppers and limits expansion of retail sector. Walkability is a measure of how pedestrian friendly an area is. It can have significant economic benefits. Walkability is influenced by the quality of pedestrian rights-of-way, footpaths, sidewalks, safety, land use patterns, and in the case of South Padre Island retail establishments' accessibility and connectivity. The absence of a delineated retail and entertainment center or area also hinders the development of a diversified retail and commercial base.

During peak months, number of visitors, causeway crossing and traffic peaks and the Island's economy operates at levels close to full capacity. During off-peak months the number of overnight visitors drops as shown by the CCEI index. However, causeway crossing does not decline proportionally to the decline in economic activity on the Island. Day visitors and residents of surrounding communities continue to flock to the Island. Our analysis shows that this segment of the market is not effectively captured. Comparing the off-peak months of December and January to the peak month of July, we see that December and January causeway crossing is 43% and 52% of July's crossing respectively but sales tax revenue during those same months is only 23% and 16% relative to July.

There are significant retail opportunities on the Island but there are also obstacles to the fulfillment of these opportunities. Addressing these obstacles first, such as the designation of an entertainment and retail district, and improving walkability, would create the proper environment for these retail opportunities to come about in a sustainable way.

Establishing an entertainment district with a boardwalk in South Padre Island similar to Kemah in Houston, the River Walk in San Antonio, would create a focal point and attract visitors and patrons from all over the Rio Grande Valley during the off peak months and reduce the economic variability during those months.

Some key attributes and features that a successful entertainment and retail district on the Island must have are: location, easy access, walkability, sufficient parking, synergistic and complementary mix of tenants and land uses, clustering complementary activities to maximize tenant exposure, defined design guidelines and contextual architectural controls that reflect the character of the region and create a sense of place, children friendly, promotes local artists,

artisans, and craftsmen, offer diverse entertainment and shopping options, and offer unique and memorable experience.

D. Office and Flex Space Market Trends on South Padre Island

As the economy of the region continues to expand, especially in petroleum and advanced manufacturing in Matamoros, and advanced manufacturing and space related activities in Brownsville demand will be generated for office space by professional support providers. South Padre Island may be well positioned to attract some of these professionals especially SpaceX related professional services. The estimated square footage of office space on South Padre Island is approximately 275,000 square feet most of which is housed in mixed-use buildings. We estimate that the growth in demand for office and flex space is going to be limited given the limited access to and from the Island. The estimated annual growth rate for office and flex is approximately 1.5% and will most likely be in the small, multi-tenant office space.

The table below shows that the lease price range of office and retail space is between \$7.94 and \$16 per square foot.

| |
|---|
| <i>125 E Coral Lee Drive, South Padre Island, TX 78597</i> |
| 600 SF\$16.00/sf/year (\$800 per month) |
| Office |
| <i>2812 Padre Boulevard, South Padre Island, TX 78597</i> |
| 1,518 SF\$13.83/sf/year (\$1,750 per month) |
| Retail |
| <i>101 E Morningside Drive, South Padre Island, TX 78597</i> |
| 1,250 - 2,500 SF\$12.00/sf/year (\$1,250 - \$2,500 per month) |
| Retail |
| <i>205 W Palm Street, South Padre Island, TX 78597</i> |
| 13,402 SF\$12.00/sf/year (\$13,402 per month) |
| Retail |
| <i>5800 Padre Boulevard, South Padre Island, TX 78597</i> |

| |
|--|
| 825 SF\$12.00/sf/year (\$825 per month) |
| Retail |
| <i>5800 Padre Boulevard, South Padre Island, TX 78597</i> |
| 750 - 2,266 SF\$7.94 - \$12.00/sf/year (\$496 - \$2,266 per month) |
| Office |

E. Demand for Office and Flex Space Absorption

The tables below illustrate the estimated percentages change in employment between 1990 and 2013 in key economic sector in Cameron County. Table 32 shows that education and health services grew by 168.4% or 7.3% annually, professional and business services grew by 151% or 6.6% annually, leisure and hospitality grew by 88% or 3.8% annually, and trade transportation and logistics grew by 43.9% or 1.9% annually.

Tables 33 and 34 decompose the change in employment data to identify sectors that will continue to grow, and sectors that will most likely decline. This type of analysis is called shift-share analysis.

Shift-share analysis groups the different sectors analyzed into one of five categories:

- 1- Greatest Likelihood for Potential Job Opportunities
- 2- Strong Likelihood
- 3- Comparative Advantage
- 4- Less Likelihood
- 5- Indeterminate

Some of the fastest growing sectors identified using shift-share analysis represent an ideal fit for the economic structure of South Padre Island. The following lists industries that could be targeted:

- Ambulatory Health Care Services
- Administrative and Support Services
- Real Estate
- General Merchandise Stores

- Nursing and Residential Care Facilities
- Food Services and Drinking Places

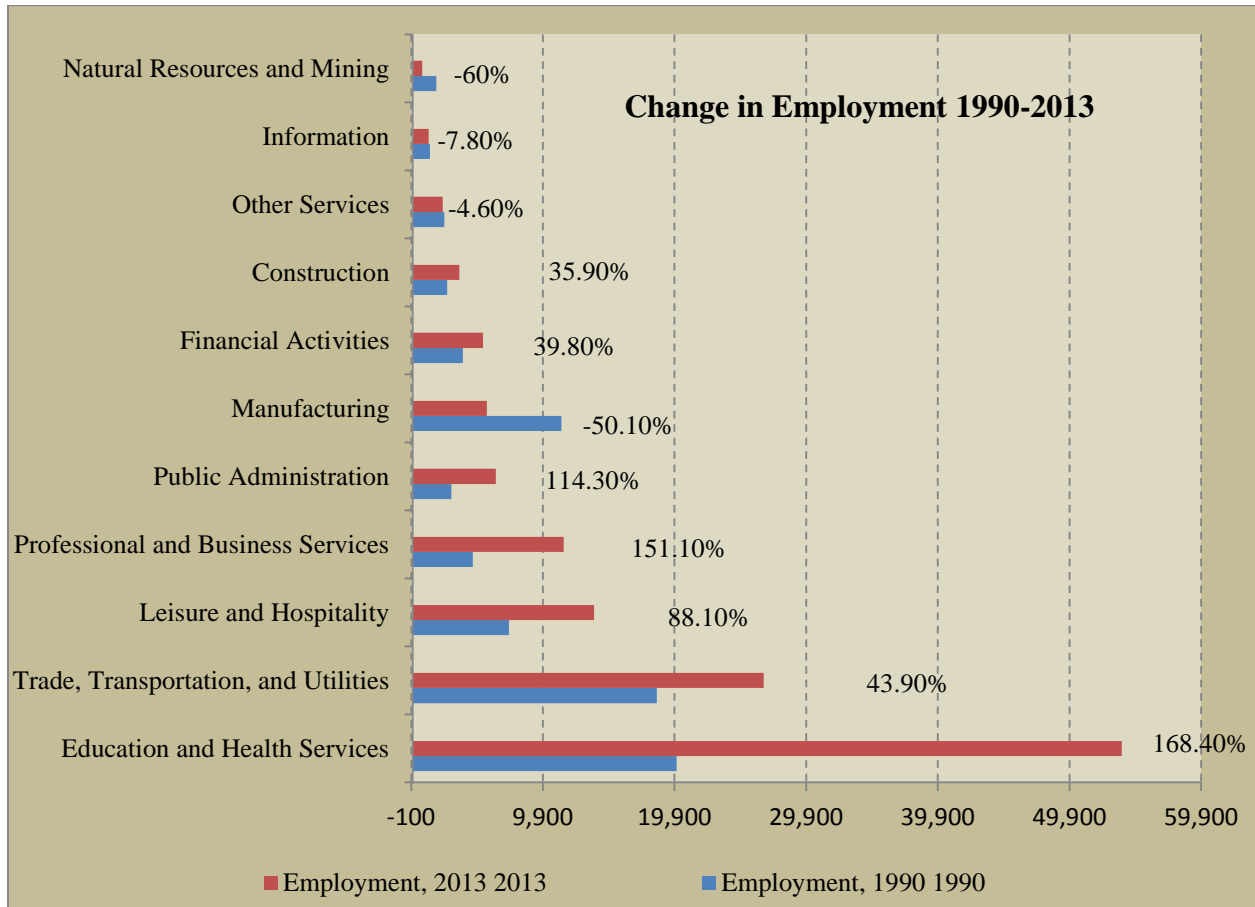
Table 32. Employment Changes in Cameron County, 1990 to 2013

| Sector | Employment, 1990 | Employment, 2013 | Employment Change | Percent Growth, 1990 - 2013 |
|--------------------------------------|---------------------|---------------------|-------------------|--------------------------------|
| Education and Health Services | 20,071 | 53,862 | 33,791 | 168.4 |
| Trade, Transportation, and Utilities | 18,544 | 26,682 | 8,138 | 43.9 |
| Leisure and Hospitality | 7,333 | 13,793 | 6,460 | 88.1 |
| Professional and Business Services | 4,575 | 11,486 | 6,911 | 151.1 |
| Public Administration | 2,948 | 6,319 | 3,371 | 114.3 |
| Manufacturing | 11,317 | 5,647 | -5,670 | -50.1 |
| Financial Activities | 3,826 | 5,349 | 1,523 | 39.8 |
| Construction | 2,625 | 3,567 | 942 | 35.9 |
| Other Services | 2,413 | 2,302 | -111 | -4.6 |
| Information | 1,329 | 1,226 | -103 | -7.8 |
| Natural Resources and Mining | 1,814 | 725 | -1,089 | -60.0 |
| | 76,795 | 130,958 | 54,163 | |

Table 33. Shift-Share Analysis for Cameron County, 1990-2013

| Sector | National Growth Component, Percent | National Growth Component, Jobs | Industrial Mix Component, Percent | Industrial Mix Component, Jobs | Competitive Share Component, Percent | Competitive Share Component, Jobs |
|--------------------------------------|------------------------------------|---------------------------------|-----------------------------------|--------------------------------|--------------------------------------|-----------------------------------|
| Education and Health Services | 23.3 | 4,676 | 38.4 | 7,717 | 106.6 | 21,398 |
| Trade, Transportation, and Utilities | 23.3 | 4,320 | -11.0 | -2,047 | 31.6 | 5,865 |
| Professional and Business Services | 23.3 | 1,066 | 51.9 | 2,373 | 75.9 | 3,472 |
| Public Administration | 23.3 | 687 | -9.8 | -288 | 100.8 | 2,973 |
| Leisure and Hospitality | 23.3 | 1,708 | 28.3 | 2,078 | 36.5 | 2,674 |
| Financial Activities | 23.3 | 891 | -11.7 | -449 | 28.3 | 1,081 |
| Construction | 23.3 | 612 | -12.0 | -315 | 24.6 | 646 |
| Information | 23.3 | 310 | -25.2 | -335 | -5.8 | -77 |
| Other Services | 23.3 | 562 | -4.2 | -101 | -23.7 | -572 |
| Natural Resources and Mining | 23.3 | 423 | -7.7 | -140 | -75.6 | -1,371 |
| Manufacturing | 23.3 | 2,636 | -56.1 | -6,348 | -17.3 | -1,959 |
| | | 17,891 | | 2,145 | | 34,130 |

Figure 13 Change in Employment 1990-2013



Source: University of Georgia and AEC

Table 34. Shift-Share Analysis Results by Category

| - Cameron County - | | | | | | | | | | | |
|---|--|----------------------|---------------------|-------------------|------------------|-----------------------|-------------------|-----------------|----------------|------------------------|------------------------------------|
| | | Employment | | | | | | | | | |
| | | Local | | National | | | | | | | |
| NAICS | Industry Title | Base 2000 - Q1 | Qtr 2013 - Q4 | Base 2000 - Q1 | Qtr 2013 - Q4 | % Chg Local Emp | National Share | Industry Mix | Local Share | Local Emp Change | Avg Weekly Wage 2013 - Q4 |
| Greatest Likelihood for Potential Job Opportunities | | | | | | | | | | | |
| 621 | Ambulatory Health Care Services | 9705 | 19407 | 4236223 | 6553514 | 99.9 | 736 | 4572 | 4393 | 9702 | \$509.36 |
| 561 | Administrative and Support Services | 3819 | 8863 | 7364808 | 8147907 | 132 | 289 | 116 | 4637 | 5044 | \$450.45 |
| 624 | Social Assistance | 2516 | 6233 | 1723850 | 3193122 | 147.7 | 190 | 1953 | 1572 | 3717 | \$318.72 |
| 722 | Food Services and Drinking Places | 7756 | 10518 | 7891334 | 10381141 | 35.6 | 588 | 1858 | 314 | 2762 | \$275.50 |
| 452 | General Merchandise Stores | 3241 | 4681 | 2728345 | 3267763 | 44.4 | 245 | 394 | 799 | 1440 | \$342.41 |
| 623 | Nursing and Residential Care Facilities | 1879 | 2866 | 2545489 | 3235812 | 52.5 | 142 | 367 | 477 | 987 | \$586.58 |
| 919 | Federal Government | 1961 | 2901 | 1924351 | 2149030 | 47.9 | 148 | 80 | 711 | 940 | \$1,528.62 |
| 446 | Health and Personal Care Stores | 477 | 933 | 897599 | 1033982 | 95.5 | 36 | 36 | 383 | 456 | \$634.68 |
| 531 | Real Estate | 1101 | 1523 | 1287520 | 1467688 | 38.3 | 83 | 70 | 267 | 422 | \$493.51 |
| 444 | Building Material & Garden Supply Stores | 936 | 1210 | 1092904 | 1193381 | 29.2 | 71 | 15 | 187 | 274 | \$481.50 |
| 551 | Management of Companies and Enterprises | 44 | 277 | 1772925 | 2101402 | 529.5 | 3 | 4 | 224 | 233 | \$845.43 |
| 562 | Waste Management and Remediation Service | 199 | 325 | 305809 | 376740 | 63.3 | 15 | 31 | 79 | 126 | \$741.85 |
| 711 | Performing Arts and Spectator Sports | 21 | 79 | 334784 | 431105 | 276.1 | 1 | 4 | 51 | 58 | \$315.50 |

| Strong Likelihood | | | | | | | | | | | |
|-----------------------|--|-------|-------|----------|----------|-------|------|------|------|------|------------|
| 611 | Educational Services | 16500 | 20444 | 10915571 | 12718287 | 23.9 | 1251 | 1473 | 1219 | 3944 | \$707.93 |
| 939 | Local Government | 4884 | 6279 | 4784965 | 5460305 | 28.5 | 370 | 318 | 705 | 1395 | \$667.97 |
| 523 | Financial Investment & Related Activity | 116 | 147 | 775988 | 872433 | 26.7 | 8 | 5 | 16 | 31 | \$978.59 |
| Potential Comparative | | | | | | | | | | | |
| 441 | Motor Vehicle and Parts Dealers | 1643 | 2343 | 1817323 | 1810575 | 42.6 | 124 | -130 | 706 | 700 | \$712.87 |
| 524 | Insurance Carriers & Related Activities | 629 | 1299 | 2091448 | 2155319 | 106.5 | 47 | -28 | 650 | 670 | \$794.74 |
| 423 | Merchant Wholesalers, Durable Goods | 1726 | 2346 | 3083589 | 2885970 | 35.9 | 130 | -241 | 730 | 620 | \$737.89 |
| 522 | Credit Intermediation & Related Activity | 1592 | 2140 | 2544744 | 2596828 | 34.4 | 120 | -88 | 515 | 548 | \$707.04 |
| 454 | Nonstore Retailers | 144 | 428 | 479714 | 492114 | 197.2 | 10 | -7 | 280 | 284 | \$476.47 |
| 484 | Truck Transportation | 1512 | 1756 | 1378849 | 1388359 | 16.1 | 114 | -104 | 233 | 244 | \$824.90 |
| 442 | Furniture and Home Furnishings Stores | 453 | 623 | 539362 | 462054 | 37.5 | 34 | -99 | 234 | 170 | \$429.40 |
| 443 | Electronics and Appliance Stores | 321 | 410 | 564382 | 507302 | 27.7 | 24 | -56 | 121 | 89 | \$478.89 |
| 517 | Telecommunications | 512 | 581 | 1227802 | 851214 | 13.4 | 38 | -195 | 226 | 69 | \$945.46 |
| 451 | Sporting Goods/Hobby/Book/Music Stores | 547 | 615 | 670715 | 654554 | 12.4 | 41 | -54 | 81 | 68 | \$351.03 |
| 332 | Fabricated Metal Product Manufacturing | 631 | 697 | 1766750 | 1427239 | 10.4 | 47 | -169 | 187 | 66 | \$1,105.04 |
| 236 | Construction of Buildings | 745 | 784 | 1483301 | 1321007 | 5.2 | 56 | -138 | 120 | 39 | \$757.66 |
| 811 | Repair and Maintenance | 736 | 775 | 1235244 | 1211663 | 5.2 | 55 | -69 | 53 | 39 | \$537.97 |
| 221 | Utilities | 280 | 315 | 602568 | 545788 | 12.5 | 21 | -47 | 61 | 35 | \$1,123.75 |
| 481 | Air Transportation | 100 | 125 | 598445 | 448796 | 25 | 7 | -32 | 50 | 25 | \$1,122.77 |
| 492 | Couriers and Messengers | 326 | 351 | 595129 | 582740 | 7.6 | 24 | -31 | 31 | 25 | \$742.11 |
| 487 | Scenic and Sightseeing Transportation | 31 | 48 | 25351 | 27705 | 54.8 | 2 | 0 | 14 | 17 | \$461.47 |
| 322 | Paper Manufacturing | 213 | 224 | 609270 | 374854 | 5.1 | 16 | -98 | 92 | 11 | \$598.40 |

| Less Likelihood | | | | | | | | | | | |
|-----------------|--|------|------|---------|---------|-------|-----|------|------|------|------------|
| 721 | Accommodation | 1565 | 1554 | 1771902 | 1820900 | -0.7 | 118 | -75 | -54 | -11 | \$342.29 |
| 312 | Beverage & Tobacco Product Manufacturing | 82 | 63 | 203378 | 201908 | -23.1 | 6 | -6 | -18 | -19 | \$1,011.77 |
| 339 | Miscellaneous Manufacturing | 137 | 105 | 737912 | 581085 | -23.3 | 10 | -39 | -2 | -32 | \$506.44 |
| 325 | Chemical Manufacturing | 162 | 117 | 983516 | 795616 | -27.7 | 12 | -43 | -14 | -45 | \$1,100.94 |
| 323 | Printing and Related Support Activities | 124 | 64 | 810308 | 452459 | -48.3 | 9 | -64 | -5 | -60 | \$540.11 |
| 321 | Wood Product Manufacturing | 173 | 57 | 613298 | 361492 | -67 | 13 | -84 | -44 | -116 | \$420.10 |
| 326 | Plastics & Rubber Products Manufacturing | 302 | 163 | 958919 | 660808 | -46 | 22 | -116 | -45 | -139 | \$624.23 |
| 453 | Miscellaneous Store Retailers | 695 | 548 | 996588 | 833551 | -21.1 | 52 | -166 | -33 | -147 | \$294.34 |
| 511 | Publishing Industries | 378 | 218 | 1012997 | 724961 | -42.3 | 28 | -136 | -52 | -160 | \$571.96 |
| 532 | Rental and Leasing Services | 528 | 346 | 664219 | 520346 | -34.4 | 40 | -154 | -67 | -182 | \$619.88 |
| 314 | Textile Product Mills | 259 | 58 | 217212 | 113652 | -77.6 | 19 | -143 | -77 | -201 | \$521.48 |
| 337 | Furniture and Related Product Mfg | 235 | 26 | 684446 | 362270 | -88.9 | 17 | -128 | -98 | -209 | \$749.85 |
| 445 | Food and Beverage Stores | 2938 | 2717 | 2957061 | 2985279 | -7.5 | 222 | -194 | -249 | -221 | \$465.48 |
| 327 | Nonmetallic Mineral Product Mfg | 507 | 256 | 543433 | 376328 | -49.5 | 38 | -194 | -95 | -251 | \$846.45 |
| 515 | Broadcasting (except Internet) | 410 | 155 | 330630 | 286374 | -62.1 | 31 | -85 | -200 | -255 | \$1,079.59 |
| 929 | State Government | 1370 | 1075 | 2351745 | 2244007 | -21.5 | 103 | -166 | -232 | -295 | \$821.90 |
| 238 | Specialty Trade Contractors | 2282 | 1983 | 3889301 | 3762128 | -13.1 | 173 | -247 | -224 | -299 | \$675.47 |
| 311 | Food Manufacturing | 1314 | 926 | 1527351 | 1478939 | -29.5 | 99 | -141 | -346 | -388 | \$568.05 |
| 334 | Computer and Electronic Product Mfg | 691 | 178 | 1767134 | 1051628 | -74.2 | 52 | -332 | -233 | -513 | \$1,068.04 |
| 424 | Merchant Wholesalers, Nondurable Goods | 1498 | 968 | 1975406 | 1999278 | -35.3 | 113 | -95 | -548 | -530 | \$721.54 |
| Indeterminate | | | | | | | | | | | |
| 622 | Hospitals | 4256 | 4599 | 4825726 | 5748329 | 8 | 322 | 490 | -470 | 343 | \$1,030.21 |

| | | | | | | | | | | | |
|-----|--|------|------|---------|---------|-------|-----|------|------|------|----------|
| 448 | Clothing and Clothing Accessories Stores | 1337 | 1437 | 1294253 | 1490984 | 7.4 | 101 | 101 | -103 | 100 | \$262.70 |
| 493 | Warehousing and Storage | 398 | 454 | 504206 | 732117 | 14 | 30 | 149 | -123 | 56 | \$879.79 |
| 115 | Agriculture & Forestry Support Activity | 157 | 178 | 280975 | 349693 | 13.3 | 11 | 26 | -17 | 21 | \$506.38 |
| 541 | Professional and Technical Services | 2136 | 2149 | 6666500 | 8206244 | 0.6 | 162 | 331 | -480 | 13 | \$844.63 |
| 488 | Support Activities for Transportation | 1064 | 1063 | 525241 | 601413 | 0 | 80 | 73 | -155 | -1 | \$574.94 |
| 336 | Transportation Equipment Manufacturing | 1829 | 1826 | 2076882 | 1529320 | -0.1 | 138 | -620 | 479 | -3 | \$910.35 |
| 425 | Electronic Markets and Agents/Brokers | 267 | 260 | 597170 | 911749 | -2.6 | 20 | 120 | -147 | -7 | \$892.12 |
| 237 | Heavy and Civil Engineering Construction | 580 | 571 | 820077 | 892145 | -1.5 | 43 | 6 | -59 | -9 | \$806.19 |
| 491 | Postal Service | 310 | 300 | 881587 | 601498 | -3.2 | 23 | -122 | 88 | -10 | \$945.74 |
| 114 | Fishing, Hunting and Trapping | 71 | 60 | 10160 | 7924 | -15.4 | 5 | -21 | 4 | -11 | \$639.99 |
| 313 | Textile Mills | 35 | 22 | 382570 | 116878 | -37.1 | 2 | -26 | 11 | -13 | \$420.34 |
| 333 | Machinery Manufacturing | 426 | 402 | 1457077 | 1105378 | -5.6 | 32 | -135 | 78 | -24 | \$767.73 |
| 112 | Animal Production | 98 | 57 | 190906 | 239836 | -41.8 | 7 | 17 | -66 | -41 | \$513.76 |
| 814 | Private Households | 256 | 180 | 414129 | 272331 | -29.6 | 19 | -107 | 11 | -76 | \$314.58 |
| 335 | Electrical Equipment and Appliances | 605 | 439 | 588886 | 374807 | -27.4 | 45 | -265 | 53 | -166 | \$792.47 |
| 812 | Personal and Laundry Services | 842 | 648 | 1217586 | 1348145 | -23 | 63 | 26 | -284 | -194 | \$390.62 |
| 485 | Transit and Ground Passenger Transport | 336 | 102 | 378897 | 465160 | -69.6 | 25 | 51 | -310 | -234 | \$604.46 |
| 713 | Amusement, Gambling & Recreation Ind | 874 | 605 | 1190782 | 1378108 | -30.7 | 66 | 71 | -406 | -269 | \$364.48 |
| 813 | Membership Organizations & Associations | 1317 | 779 | 1202173 | 1327342 | -40.8 | 99 | 37 | -675 | -538 | \$416.15 |
| 111 | Crop Production | 953 | 294 | 464093 | 543096 | -69.1 | 72 | 89 | -821 | -659 | \$426.29 |

Source: LMCI Socrates and AEC

X. THE POTENTIAL FOR ADDITIONAL MARINA DEVELOPMENT ON SOUTH PADRE ISLAND

Marinas, as well as passive and active recreational waterfront access, have significant economic benefit to the immediate and surrounding communities.

A new \$22 million dollars 150-slip marina development in South Padre Island could generate significant economic impact. The magnitude of the impact will depend on whether the marina is located on the beach side or the bayside.

Typically, the economic impact can be divided into two broad categories: Impact from construction and impact from operation. The construction of a marina can have substantial one-time impact that lasts the duration of the construction phase while impact from marina operation is long lasting.

A study commissioned by the Massachusetts Marine Trades Association (MMTA) found that in addition to providing more waterfront access points and additional recreational opportunities for the public, facilities designed around boating and docking tend to increase residential real estate values between 25 and 75 percent and consequently increase ad-valorem tax revenues from higher real estate assessments¹.

In addition to providing jobs and income to their immediate communities, marinas benefits are not confined to their host areas but can spill-over and have significant benefits on surrounding communities.

To support marina development projects, it's helpful, if not critical, to prove with hard numbers how marinas contribute significantly to the local economies. From increased tax revenues, to job creation, to added business for local restaurants, shops, and tourist attractions, there are few aspects of an economy that don't benefit from the presence of a successful marina. And, in some extreme cases, what have seemed to be hopeless, blighted waterfront areas have been revitalized by the introduction of a marina.

¹ Massachusetts Boating Economic Impact Study

In the United States, studies indicate that marinas generate an average of 0.3 jobs per berth², meaning that a 150-berth marina could provide 45 jobs and approximately \$1 million in compensation.

The impact from construction and from operation of a 150 berth marina is summarized in the tables below. The economic impact from the construction phase is a onetime impact that last the duration of construction. Table 35 shows that during the construction phase 174 Full-Time Equivalent (FTE) jobs will be created, 134 direct FTE jobs associated with the development of the marina, 23 indirect FTE jobs will be created in supporting sectors, and 21 FTE induced jobs. The estimated total compensation is approximately \$6.5 million. The project will add approximately \$9 million to the economy.

Impact models provide a means to measure three types of effects that capture the total economic impact: direct effect, indirect effect and induced effect.

- Direct effect refers to production change associated with a change in demand for the marina services. It is the initial impact to the economy, which is the initial external shock to the model.
- Indirect effect refers to the secondary impact caused by changing input needs of directly affected industries. In other words the increase in demand for inputs, materials, and professional services needed to build the marina.
- Induced effect is caused by changes in household spending due to the additional employment and income generated by direct and indirect effects.

Table 35. Marina Construction Impact Summary

| Impact Summary | | | | |
|--------------------|-------------------|---------------------|--------------------------|---------------|
| <i>Impact Type</i> | <i>Employment</i> | <i>Labor Income</i> | <i>Total Value-Added</i> | <i>Output</i> |
| Direct Effect | 130 | \$4,741,453 | \$6,030,820 | \$16,077,250 |
| Indirect Effect | 23 | \$977,607 | \$1,498,757 | \$3,962,564 |
| Induced Effect | 21 | \$722,809 | \$1,383,403 | \$2,478,691 |
| Total Effect | 174 | \$6,441,868 | \$8,912,980 | \$22,518,504 |

Source: AEC

² Marinas, National Marine Manufacturers Association’s boating facilities development portfolio.

Table 36 shows the impact from operations. We estimate that the marina will create 45 direct FTE jobs, 12 indirect FTE jobs and 6 FTE induced jobs. The marina is expected to generate \$8.3 million in total economic activity, of which \$5.5 million is direct impact. The marina is expected to add \$2.8 million to the economy.

Table 36. Marina Operation Impact Summary

| Impact Summary | | | | |
|--------------------|-------------------|---------------------|--------------------------|---------------|
| <i>Impact Type</i> | <i>Employment</i> | <i>Labor Income</i> | <i>Total Value-Added</i> | <i>Output</i> |
| Direct Effect | 45 | 1,085,549 | 1,703,437 | 5,513,336 |
| Indirect Effect | 12 | 500,947 | 732,461 | 2,099,212 |
| Induced Effect | 6 | 197,282 | 376,841 | 675,825 |
| Total Effect | 63 | 1,783,778 | 2,812,739 | 8,288,373 |

Source: AEC

The following table lists the marina project top ten impacted industries.

Table 37. Top Ten Impacted Sectors Marina

| <i>Description</i> | <i>Total Employment</i> | <i>Total Labor Income</i> | <i>Total Value-Added</i> | <i>Total Output</i> |
|--|-------------------------|---------------------------|--------------------------|---------------------|
| Construction of other new nonresidential structures | 67 | \$2,769,651 | \$2,924,122 | \$9,644,077 |
| Marina | 20 | \$524,075 | \$917,130 | \$1,941,156 |
| Retail Stores - Gasoline stations | 13 | \$297,380 | \$688,594 | \$1,019,049 |
| Retail Stores - Food and beverage | 8 | \$219,187 | \$337,466 | \$538,075 |
| Food services and drinking places | 7 | \$119,092 | \$178,399 | \$399,636 |
| Maintenance and repair construction of nonresidential structures | 5 | \$233,642 | \$245,969 | \$556,935 |
| Ship building and repairing | 5 | \$362,809 | \$415,884 | \$1,561,391 |
| Retail Stores - General merchandise | 3 | \$87,573 | \$130,428 | \$207,998 |
| Hotels and motels, including casino hotels | 3 | \$77,226 | \$139,879 | \$245,860 |

| | | | | |
|--|---|-----------|-----------|-----------|
| Architectural, engineering, and related services | 3 | \$161,647 | \$163,905 | \$361,133 |
|--|---|-----------|-----------|-----------|

Source: AEC

Table 38 summarizes the estimated state and local tax impact. The marina is expected to generate approximately \$258,000 in sales tax and \$268,000 in property tax. Most of the sales tax will be generated during the construction phase. Sales tax during operations will be approximately \$80,000.

Table 38. Marina Development Fiscal Impact

| <i>Description</i> | <i>Employee Compensation</i> | <i>Proprietor Income</i> | <i>Indirect Business Tax</i> | <i>Households</i> | <i>Corporations</i> |
|---------------------------------------|------------------------------|--------------------------|------------------------------|-------------------|---------------------|
| Dividends | | | | | \$21,181 |
| Social Ins Tax- Employee Contribution | \$4,695 | \$0 | | | |
| Social Ins Tax- Employer Contribution | \$20,197 | | | | |
| Indirect Bus Tax: Sales Tax | | | \$258,433 | | |
| Indirect Bus Tax: Property Tax | | | \$268,414 | | |
| Indirect Bus Tax: Motor Vehicle Lic | | | \$4,685 | | |
| Indirect Bus Tax: Severance Tax | | | \$47,033 | | |
| Indirect Bus Tax: Other Taxes | | | \$33,111 | | |
| Indirect Bus Tax: S/L NonTaxes | | | \$20,909 | | |
| Corporate Profits Tax | | | | | \$0 |
| Personal Tax: Income Tax | | | | \$0 | |
| Personal Tax: NonTaxes (Fines- Fees | | | | \$27,682 | |
| Personal Tax: Motor Vehicle License | | | | \$5,113 | |
| Personal Tax: Property Taxes | | | | \$3,730 | |
| Personal Tax: Other Tax (Fish/Hunt) | | | | \$1,514 | |
| Total State and Local Tax | \$24,892 | \$0 | \$632,586 | \$38,039 | \$21,181 |

Source: AEC

XIV. IMPLEMENTATION AND MARKETING STRATEGIES

The first step in developing economic and marketing strategies to fulfill the economic vision of South Padre Island is to identify the problems, the challenges, and the obstacles facing the Island. The strategies must be clear and coherent, and fit within the overall development plans of the city.

The development program and strategy outlined below fit well with the goal of closing gaps especially during off-peak months, capitalizing on opportunities through planning for sustainable growth. One of the key strategies is to establish an entertainment retail district to serve as a focal point.

The proposed strategies should be evaluated and discussed by South Padre Island's leadership in order to develop a plan of action.

Establish an Entertainment Retail District

- Our analysis shows that the distribution of retail and commercial space is not clustered but scattered throughout the Island. This distribution poses few mobility and walkability problems. Further, there is an absence of an entertainment area that can be the Island's focal point. Our analysis also shows that during off-peak months, causeway traffic drops by approximately 50 percent while economic activity declines by more than 75%. This indicates that there is a substantial amount of traffic that does not translate into economic activity. We believe that establishing a focused entertainment and retail district on the Island could attract and capture a significant number of day visitors.

Development of Marina

- Boating data show that there is a high concentration of registered boats in the SPI Catchment area. Indeed, the ratio of registered boats to people is significantly higher than the national and state averages. In addition, establishing a marina adjacent to an entertainment and retail district could be synergistic and could generate substantial benefits, including an increase in employment and wages, an enhancement in the value of residential and commercial properties within the marina's vicinity and an improvement in the tax base.

Full service beachfront upscale Hotel

- There is an over-representation of lower-priced limited service lodging and accommodation facilities. However, the luxury segment of the lodging industry is not represented. In fact, there are no luxury hotels in the Rio Grande Valley. An upscale hotel will fill this crucial gap in lodging choices.

Other Recommendations

- Develop a targeted marketing plan for the Maquila industry
- Target new and established Mexican markets (Tamaulipas & Nuevo Leon)
- Develop a marketing plan for day visitors
- Develop an office/flex space marketing plan for professional and technical service providers serving regional industries.

C. Further Research

Recommended development strategies should proceed with the cognizance of a need for additional research. Prior to moving forward with any strategies, the City of South Padre Island should revisit Development Codes and Regulations in order to create consistency across all development projects on the Island and to protect the character of the Island while simultaneously pursuing development strategies. At the forefront for consideration include the implications of increased intensity and density of development; mixed land uses, parking issues, floor/area ratios, pedestrian mobility, and land use transitions. A number of development codes and regulations models exist to guide the Island in pursuing development projects without sacrificing community welfare, health and safety.

Another area needing further research is a public infrastructure in support of development strategies. Capital improvement plans and budget analyses for transportation and public infrastructure should be in place prior to pursuing development projects. A thorough assessment of infrastructure is critical before the commencement of any projects to provide for any capital improvement necessary.

Appendix

Shiftshare

In economics there is a technique called shift-share analysis. Its purpose is to take the change in employment for an area and decompose it into the three sources that caused the change. Here is a shift-share analysis for your area.

1. The National Growth Component

The first source of change is the growth or contraction in the United States economy. During the time period 1990 to 2013, the nation's employment grew by 23.3 percent (i.e., America's employment in 1990 and 2013 was 108.6 million and 133.9 million, respectively. The growth rate is therefore $(133.9 - 108.6) / 108.6 * 100 = 23.3$ percent.)

This growth rate is listed as the national growth component. The effect of the national growth component is felt most acutely during the peaks and valleys of the business cycle, i.e. during recessions and boom times. Local businesses are very aware of how the general business climate affects them.

Cameron County biggest employer, the Education and Health Services sector, had the highest national growth component. The 23.3 percent national growth component led to this sector's employment growing by 4,676 jobs (i.e., 23.3 percent times the sector's base employment, 20,071, equals 4,676 jobs). Overall, the national growth component was responsible for a total of 17,891 jobs in this 1 county area.

An understandable goal of some local leaders is to make their economy more 'recession proof'. Economies with more employment in government, military and education will experience less fluctuation because those sectors are not directly related to the business cycle. Also, economic sectors that are experiencing more growth will provide larger employment gains to a local economy.

2. The Industrial Mix Component

Insight into these growing sectors is provided by the second aspect that shift-share analysis considers the industrial mix component. This component is found by calculating the percent growth rate for an economic sector at the national level and subtracting from it the national growth component. Thus, the industrial mix component measures how well an industry has grown, net of effects from the business cycle.

In Table 33, the highest industrial mix component was 51.9 percent in the Professional and Business Services sector, and it was responsible for 2,373 jobs (i.e., 51.9 percent times this sector's base employment, 4,575, equals 2,373 jobs). If this area's employment were concentrated in these sectors with higher industrial mix components, then the area could expect more employment growth. After adding up across all eleven sectors, it appears that the industrial mix component was responsible for increasing your area's employment by 2,145 jobs. Thus, the area has a concentration of employment in industries that are increasing nationwide, in terms of employment. The majority of these jobs can be attributed to growth in the Education and Health Services sector.

Shift-share analysis does not explain why an economic sector has slower or faster growth. Rather, the local development official must use knowledge about the business conditions facing particular industries to understand this. For example, in some rural counties the manufacturing sector was once dominated by apparel firms. The availability of low-priced imported clothing in the 1990's has meant that many apparel firms have gone out of business. Many counties therefore have a negative industrial mix component for manufacturing.

3. The Competitive Share

The third and final component of shift-share analysis is called the competitive share. It is the remaining employment change that is left over after accounting for the national and industrial mix components. If a sector's competitive share is positive, then the sector has a local advantage in promoting employment growth.

For example, the Education and Health Services sector employment grew by 168.4 percent (from Table 32). Of this 168.4 percent, 23.3 percent was due to the national growth component and 38.4 percent was due to the industrial mix (from Table 33). This leaves a remainder of 106.6 percent that is attributable to the local conditions facing this economic sector. For the Education and Health Services sector, the competitive share translated into 21,398 jobs (i.e., 106.6 percent times the base employment level of 20,071 equals 21,398 jobs).

The top three sectors in competitive share were Education and Health Services, Trade, Transportation, and Utilities, and the Professional and Business Services sector. Across all sectors, the competitive share component totals to 34,130 jobs. This indicates that your area is competitive in securing additional employment.

A positive competitive share component would indicate that your area has a productive

advantage. This advantage could be due to local firms having superior technology, management, or market access, or the local labor force having higher productivity and/or lower wages. A negative competitive share component could be caused by local shortcomings in all these areas.

By examining the competitive share components for each industry, the development official can easily identify which local industries have a positive competitive share component. This also indicates which industries have competitive advantages over other counties and regions. Local officials can then devise strategies to improve local conditions faced by particular industries selected for focus. These strategies may include specialized training programs for workers and management, improved access to input and product markets through transportation and telecommunications, or arranged financial alternatives for new machinery and equipment.