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Executive Summary

- Los Fresnos has experienced a population boom during the past 15 years. The population more than doubled from 2,473 persons in 1990, to 5,132 persons in 2005. Forecasts project the population to reach 5,588 persons by 2010.
- Clearly, Los Fresnos serves more than its official population within the city limits. Within a three-mile radius, the population estimate is 11,493 persons, more than double the population of Los Fresnos at 5,132 persons. The population increases dramatically further from the city: 19,249 persons (5 mile), 48,487 persons (7.5 mile) and 121,596 persons (10 mile).
- Between 2,400 to 2,500 students and 200 faculty attend Los Fresnos High School, which is in city limits. Many of these students and faculty live outside city limits and drive daily into Los Fresnos to attend the school because it is in one of the highest rated school districts in the Rio Grande Valley.
- One of Los Fresnos' strengths is its location, as it is located directly on a highly traveled highway that people use to travel to and from South Padre Island, Brownsville, and Matamoros. Texas Department of Transportation reports that the average daily traffic count at the intersection of State Highway 100 and U.S. Expressway 77/83 is 11,300 vehicles, and the average daily traffic count at Highway 100 and FM 1847 is 15,300 (west of intersection).
- Similar to demographics in other Valley cities, Los Fresnos has a relatively young (median age 29) and predominately Hispanic population (88%).
- Coinciding with the national trend of the aging of the baby boomers, the population in Los Fresnos is forecast to grow older. The percentage of the population over 45 will increase from 27% to 30%, while the percentage of the population under 45 will decrease from 73% to 70% by 2010.
- Since 2000, the Los Fresnos housing market has exhibited marked vibrancy. In 2000, the total number of housing units in Los Fresnos was 1,480. In 2005, the number of housing units in Los Fresnos totaled 1,764 – an increase of 19% in five years.
- While income levels have risen from 2000 to 2005, Los Fresnos has a significantly higher concentration of low-income households as compared to the State of Texas and the United States. Approximately 48% of households in Los Fresnos earned less than \$25,000 in 2005, compared to 28.9% statewide, and 19.6% nationally.
- Nearly half (45%) of the residents surveyed were employed outside of Los Fresnos. A large number of Los Fresnos' residents commute to work in nearby cities such as Brownsville and Harlingen.

- Most respondents were generally pleased with their overall quality of life in Los Fresnos. Over half (51%) considered their overall quality of life in Los Fresnos to be "very high" or "high". This satisfaction is also reflected by the majority of residents (78%) that would recommend to others to move to Los Fresnos.
- Respondents' great satisfaction with Los Fresnos with regard to their families and general quality of place. Respondents rated Los Fresnos "high" and "very high" as a place to live (71%) and as a place to raise children (69%).
- The lowest ratings were in regard to Los Fresnos as a place to work. Nearly fifty percent (49%) of respondents rated Los Fresnos as a place to work as "low" or "very low". Los Fresnos as a place to do business also rated "low" and "very low" with 38.2% of the respondents.
- Respondents are the most satisfied with the ambulance service (90%), fire department (88%), quality of the school system (86%), garbage collection (82%), library (81%), and electricity service (81%) provided in the city.
- Alley maintenance (61%), animal control (58%), weeds enforcement (54%), vacant lot enforcement (50%), recreational facilities (46%), street maintenance (46%), sidewalk maintenance (45%), and business/commerce life (45%) received the highest "poor" ratings by residents when asked to rate quality of services.
- Residents' attitudes toward new development (77% rated it "great" or "satisfactory"), as well as how they saw the community cooperate with new businesses (67% rated it "great" or "satisfactory"), were high.
- Residents believe there is an adequate supply of homes for sale in the community (79%). Respondents were divided on if there were enough homes for rent with 48% saying there were enough and 48% saying there wasn't enough. Respondents did not believe there were enough housing units for the elderly (61%) and apartments for rent (56%).
- Respondents rated the availability of clothing (73%), furniture (72%), electronics (70%), technology (69%), computer repair (55%), grocery (52) stores as "poor" when asked about the availability of goods and services in Los Fresnos.
- When asked what types of businesses that were needed in Los Fresnos, a large number of residents favored clothing stores (66%), outlet stores (49%), restaurants (44%) and retail stores (43%). Grocery store topped the list of other businesses, in particular, HEB and Wal-Mart. Other frequent responses included food chains such as Whataburger, Church's Chicken, Pizza Hut and McDonald's.
- When it comes to priorities in economic development, respondents agreed in vigorously promoting the strengths and attractiveness of the city (61%), actively seeking to retain existing businesses 56%, recruiting additional industries (56%), building a better workforce (53%), and using incentives for existing industry (52%). These were the top rated answers given by residents.

- The majority of businesses surveyed in Los Fresnos are satisfied with the location of their business. Nearly nine out of every ten businesses (87%) surveyed said they were "very satisfied" or "satisfied" with their business location.
- Close to half of the businesses surveyed (46%) said they sell to residents throughout the Valley.
- Most of the businesses (79%) said their current employment status was stable. A few businesses said they were hiring (13%). No businesses said they were laying off employees.
- Businesses that responded to the survey said they needed to train all different skills levels of employees. Semi-skilled (21%) and unskilled (21%) training were the greatest need, followed by clerical training (17%), professional management (13%) and skilled training(8%).
- Businesses surveyed said "no training programs for needed skills" (16%) was the biggest factor that contributed to problems in the recruitment of labor.
- Location was cited by almost half of the businesses surveyed (45%) as the biggest strength for Los Fresnos. Water and sewer availability (29%), labor-management relations (25%) and diversity of the local economy (21%) were also mentioned as community strengths in attracting businesses to the area.
- The lack of medical services (33%) and skills of the labor force (33%) tied as the weaknesses mentioned by businesses when it comes to attracting businesses to the community. Quality and productivity of the workforce (29%), availability of lodging (29%), condition of downtown (25%), level of local retail (25%), labor availability (25%), and gas availability and cost (25%) were other weaknesses cited by the businesses surveyed.
- Businesses rated economic development (50%), city beautification (45%), recreational facilities (41%) and highways (41%) as the top "very important" business issues to address.

Introduction

A community assessment is a process by which community members gain an understanding of the concerns of the community by identifying, collecting and analyzing information on community assets, strengths, resources, and needs. A community assessment usually culminates in a report or a presentation that includes information about the health of the community as it is today and about the community's capacity to improve the lives of residents. Through collaborative efforts forged among community leaders, businesses, and residents, the community can begin to answer key questions such as (a) "What are the strengths in our community?" (b) "What concerns do community members have?" and (c) "What resources are available and what do we need in the community to address these concerns?"

In this framework, the assessment process starts with the people who live in the community and gives the community primary responsibility for determining the focus of assessment activities at every level, including collection and interpretation of data and development of strategies, for addressing these problems.

This 2006 Los Fresnos Community Assessment Report gives an in-depth analysis of the socioeconomic, demographic, and survey data gathered from the U.S. Census Bureau, data providers, and residents and businesses in Los Fresnos, that is useful to service providers providing and planning programs in the City of Los Fresnos.

Purpose and Objective

The purpose of this Community Assessment is to develop a demographic and economic profile of the city, as well as to determine the strengths and needs of the community. This Community

Assessment is designed to help local leaders in the community better understand their constituency, including the current circumstances and situations that their residents and businesses find themselves in relation to their community. This Community Assessment is also designed to help local leaders use this information to make reasonable choices regarding planning and development activities. Regularly gathering and compiling current information about a community's needs and resources is key to assuring that local decisions continue to adequately represent the needs of a constituency.

The information used in this report was achieved by compiling relevant information that was gathered from community residents who gave their input on where they view their community and where they would like to see it in the future. This assessment also includes a detailed economic profile that caters toward the business and industry needs of the community.

It is the intent of CoSERVE to paint as real and complete a picture as possible of the needs of the Los Fresnos community. Consequentially, a second, though equally important objective in conducting this study, is to give Los Fresnos a starting point in their overall planning process. Results of this study will help the City of Los Fresnos and the Community Development Corporation make decisions regarding planning and development goals and objectives, as well as, activities that will help the community accomplish these objectives.

Methodology

The Los Fresnos Community Assessment was conducted in three separate phases:

- The first part consisted of a cursory review of all available demographic data from official and relevant data sources for the Los Fresnos area and surrounding community.

- The second part consisted of the surveying of Los Fresnos community residents. Approximately 1,500 households in Los Fresnos were mailed surveys to their physical addresses based on water bill address. The surveys were designed to obtain a profile of Los Fresnos residents, and to learn about their needs and community concerns. Business-reply postage paid envelopes were included with the surveys so respondents would incur no cost in returning the survey. Additionally, an option to fax in their responses was given. Out of the 1,500 surveys mailed out, 269 surveys were returned to CoSERVE, a 18% return rate. The resident surveys were analyzed and summarized in this report.
- The third part consisted of a business/industry climate questionnaire that was hand-delivered to the 120 businesses in the city limits. Local businesses owners and managers were also distributed surveys to assess the business climate, potential for growth, and training needs for Los Fresnos. A total of 24 business/industry surveys were returned to CoSERVE, a return rate of 20%. The business surveys were analyzed and summarized in this report.

Data Review

The first phase in conducting a community assessment necessitates the collection of data from a wide variety of sources so as to place information collected in subsequent phases in the appropriate setting. For example, knowing that residents would like more of a certain services, such as job-training and employment opportunities, can be substantiated and made even more useful by an appropriate framework provided by “hard facts” such as statistics on family employment and income levels. Building this framework requires searching through droves of data from a wide array of agencies and bureaus and analyzing collected datasets to provide a comprehensive profile of the community.

This study presents data on numerous subjects, such as demographics, economics, and housing. In some instances, numbers may be difficult to interpret, but every effort has been made to make the statistics presented in this section easy to comprehend and place them in their appropriate contexts.

Obtaining high quality data on small, local areas is always a challenge. The most comprehensive source of data has always been the federal decennial census. The last full census, which collects basic information on every household in the country, was conducted in 2000. At six years since the last enumeration, there is an ever-increasing need for “fresher” information. To the extent possible, censual information has been supplemented with other sources, such as local and state data collection agencies, and private data providers that may offer more recent data, based on forecasts. CoSERVE has a Census Information Center (CIC) that receives timely access to all relevant census data sources. In addition, the Data and Information Systems Center (DISC) at CoSERVE is a State Data Center affiliate and has institutional and network contacts with a wide array of state data collection agencies. The DISC also has access to projection estimates for future trend information.

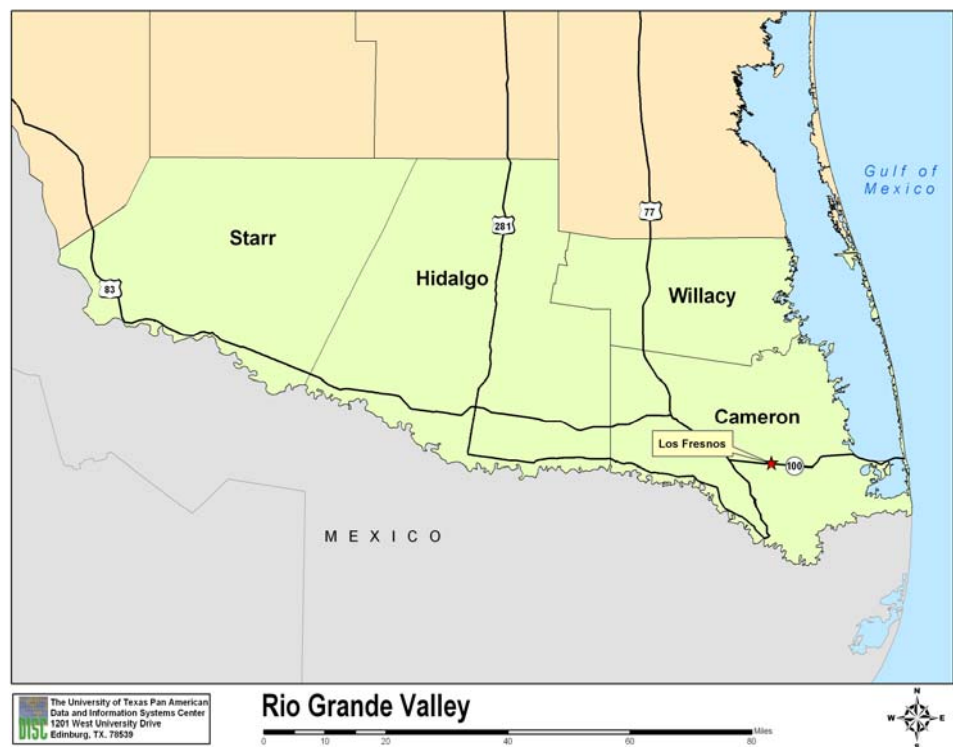
Demographic Characteristics

Overview of the Los Fresnos Area

Located in south central Cameron County in the Lower Rio Grande Valley of South Texas (Map 1), Los Fresnos was named for the Fresnos (ash) trees scattered in the woods and along streams. In 1912, Lon Hill, an early land owner, formed a company to develop a canal system which would use the

Rio Grande River to irrigate land for farming. Railroad construction in the early 1900s began to bring settlers to the area, and by 1915 a post office was established, Because of the fertile, irrigated land, farm products

MAP 1. LOS FRESNOS IN THE RIO GRANDE VALLEY



increased and with the long growing season in the Valley, farming flourished. Today the city is still surrounded by fertile farm/ranch land. Major crops are cotton, sugar cane, grains, orange, and red grapefruit orchards.

The City is located on State Highway 100, approximately six miles east of U.S. Expressway 77/83 and approximately 17 miles west from South Padre Island. One of Los Fresnos'

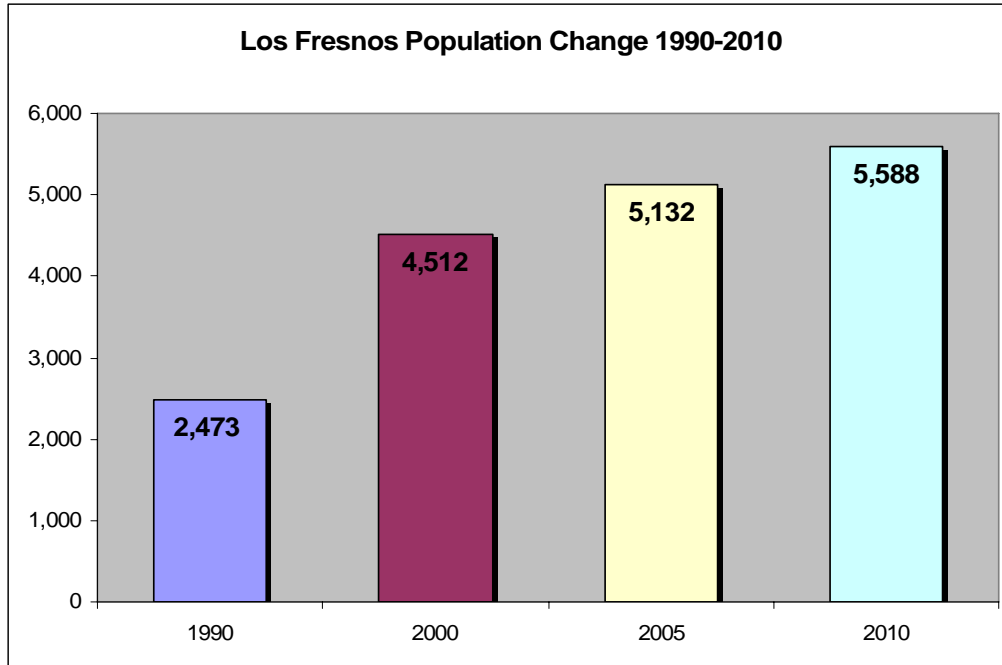
strengths is its location, as it directly located on a highly traveled highway that people use to get to and from South Padre Island. Los Fresnos is also close to Brownsville and Matamoros, which attracts residents and tourists for shopping and tourism. Department of Transportation reports that the average daily traffic count at the intersection of State Highway 100 and U.S. Expressway 77/83 is 11,300 vehicles, and the average daily traffic count at Highway 100 and FM 1847 is 15,300 (west of intersection).¹

Population Characteristics

Perhaps one of the most important demographic variables influencing the economic vitality of a region is its population. In Los Fresnos, one notices a very marked trend toward what would be termed a population boom. According to census data and data provider estimates, the population of Los Fresnos has grown from 2,473 persons in 1990, to 5,132 persons in 2005, an increase of 108% during the period. From 1990 through the projected estimate for 2010, Los Fresnos will have gained an additional 3,115 new residents. See Chart 1.

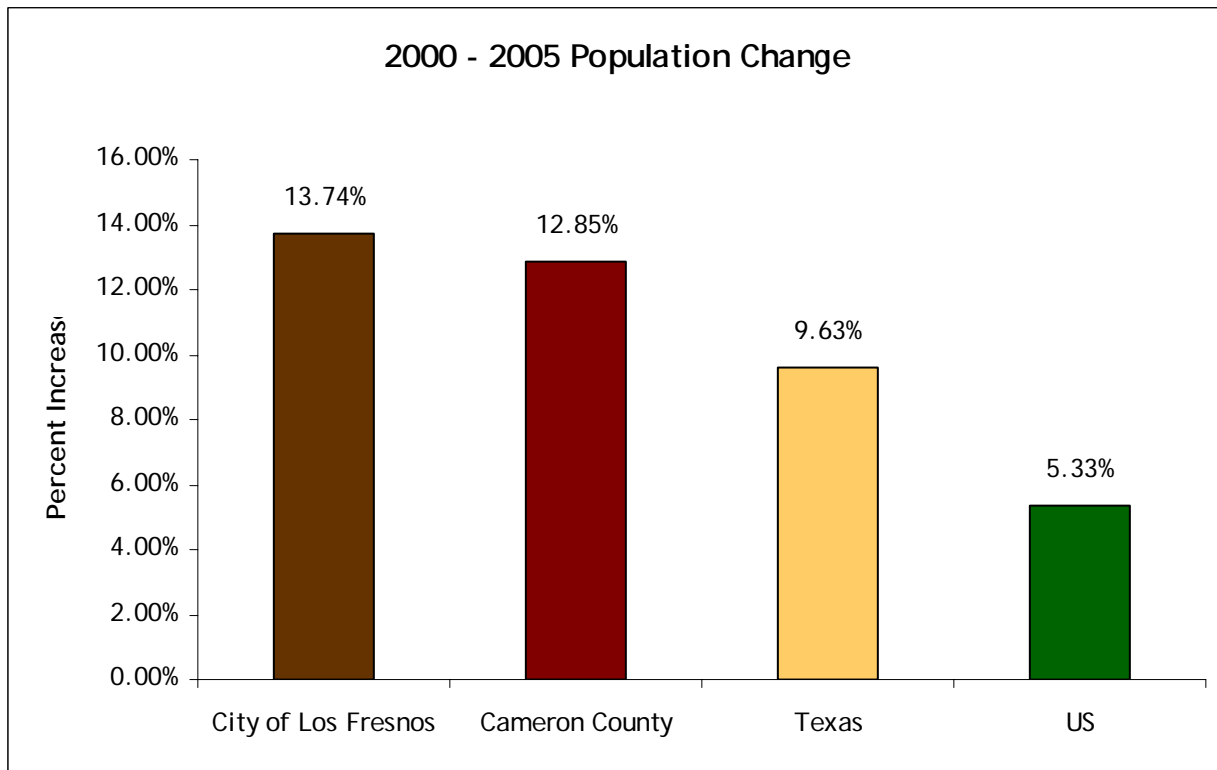
CHART 1

¹ Texas Department of Transportation 2004 Traffic Map – Cameron County D



Between 2000 and 2005, the population increase in Los Fresnos was 13.7%, outpacing the county, state and national growth rate. In Cameron County, population grew by 12.8%; the State of Texas grew by 9.6%, and the United States grew by 5.3%. See Chart 2.

CHART 2



The increase in population in Los Fresnos and Cameron County, as in other border counties, can in large part be attributed to immigration from Mexico and the Americas (coupled with migration from other parts of Texas and the United States). It is important to note that when reading official federal population counts and estimates, like those provided by the U.S. Census Bureau, a relevant undercount is likely to occur at every point of enumeration. Due to a sizeable number of undocumented residents in the border region, the population numbers are likely to be sizably less than the actual numbers. Wary of authorities, illegal or undocumented persons may be hesitant to participate in exercises that they perceive may endanger their life in the United States. Given that decennial counts by and large drive the influx of state and federal resources to the area; any undercounting seriously undermines the amount needed for economic development or social services the area desperately needs. In any event, the high population growth exhibited throughout the years puts tremendous pressure on the infrastructure and economy of the region.

Population Ring Analysis

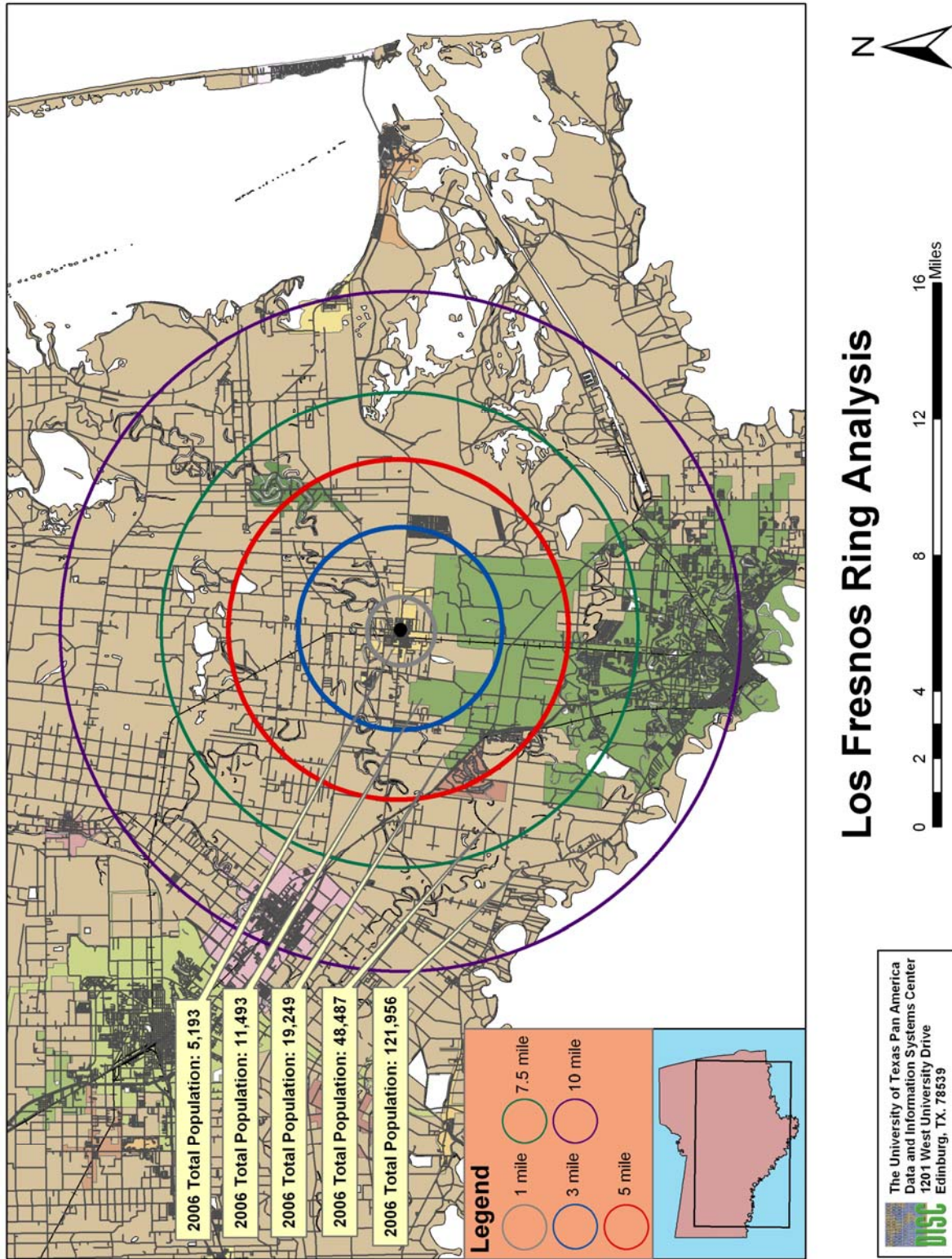
As is the case with many communities in South Texas, the City of Los Fresnos is home to many residents that live outside the city limits. Although these areas are physically located on the outskirts of the city, the adjoining and unincorporated rural areas have a large number of residents that consider Los Fresnos their home. Their children go to Los Fresnos schools, they carry out their business in Los Fresnos. The methodology used to account for these additional persons is called a population ring analysis.

Ring-based analyses are performed by selecting and evaluating demographics that fall within a pre-defined radial distance around a specified location. This analysis assumes that the impact or trade area is circular, and is centered on the location. The technique does not account for

logistical barriers that may cross through the circular area, serving to restrict access, but offers a well-based initial first step in planning and preparing services.

Within a three-mile radius, the 2006 population estimate is 11,493 persons, more than double the 2005 estimate for the City of Los Fresnos of 5,132 persons. Within a 5-mile radius, the population is approximately 19,249 persons. The population increases dramatically further out from the city. Approximately 19,249 persons live within a 5-mile radius, 48,487 persons live within a 7.5-mile radius, and 121,596 persons live within a 10-mile radius of Los Fresnos. See Map 2.

MAP 2. RING ANALYSIS

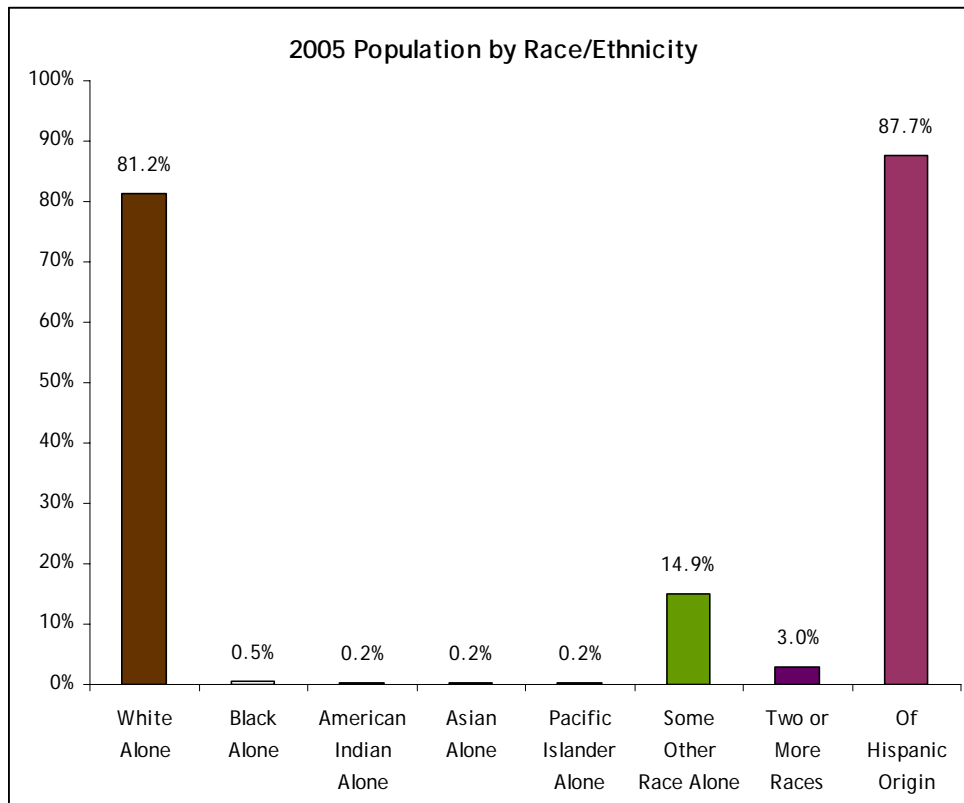


In addition, between 2,400 to 2,500 students and 200 faculty attend Los Fresnos High School, which is in city limits. There are four elementary schools and three middle schools in Los Fresnos. Many of these students and faculty live outside city limits. Their parents drive daily into Los Fresnos to drop off and pickup their children because the schools are in one of the highest rated school districts in the Rio Grande Valley. Clearly, Los Fresnos serves more than its official population within the city limits.

Race and Ethnicity

One measure of diversity is the racial or ethnic distribution of the area. According to 2005 projections, approximately 81% of the population in Los Fresnos is White. The representation of other racial groups in the city is approximately 19% of the population. Regarding ethnicity, Hispanics (of any race) comprise 87.7% of Los Fresnos' population. See Chart 3.

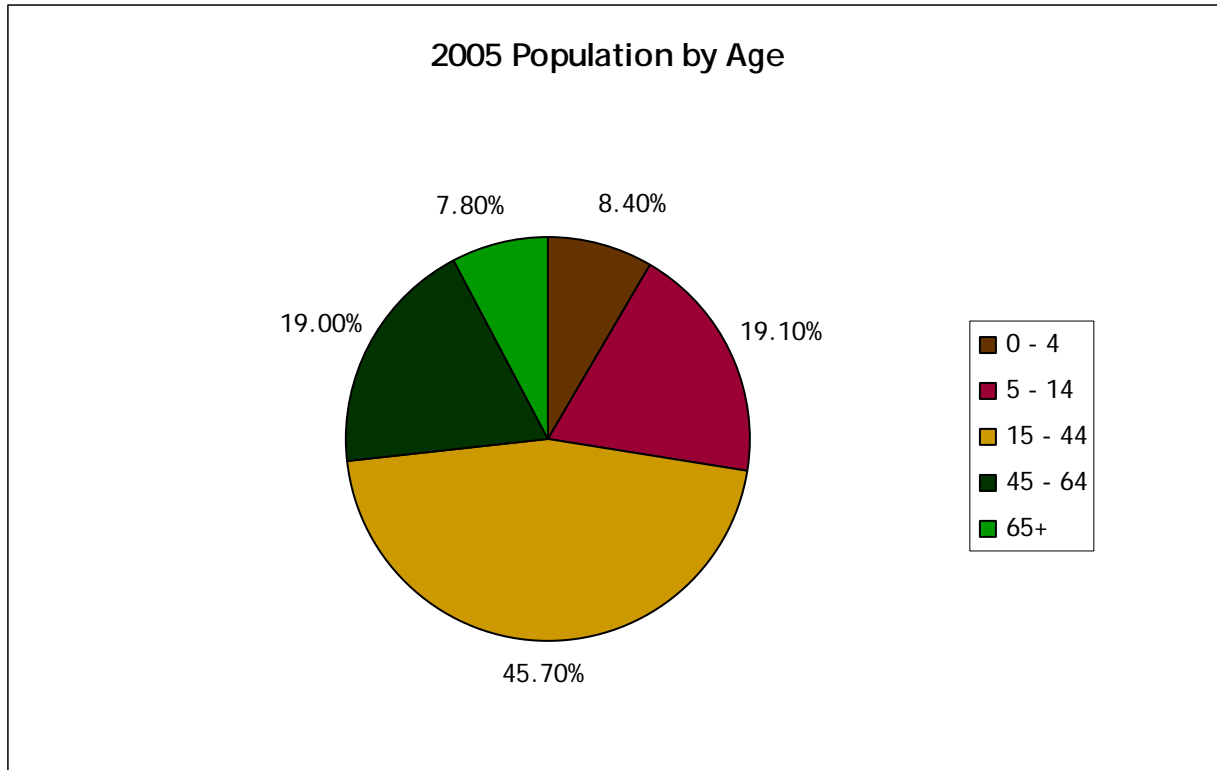
CHART 3



Age

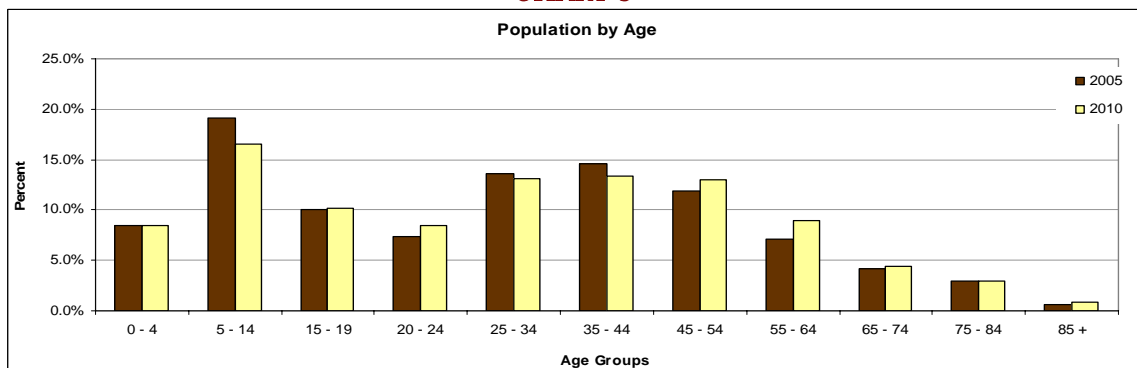
Los Fresnos also has a very young population; the median age is 29 years in a city where more of its residents are between the ages 0-4 (8.4%) than over the age of 65 (7.8%). Nearly half of the population (45.7%) falls between the ages of 15 and 44. See Chart 4.

CHART 4



With the exception of the 20-24 age group, population trends projected through 2010 demonstrate that population growth will occur in the older age groups (over 45). See Chart 5.

CHART 5



Housing Characteristics

Los Fresnos' average household size in 2005 is 3.47 persons, a slight decrease from the average household size of 3.49 persons in 2000. The number of households in Los Fresnos has grown from 1,296 households in 2000, to 1,477 households in 2005 – an increase of approximately 14%. Similarly, the number of families increased over 15% between 2000 and 2005. While the projected number of households and families is projected to increase steadily, the average household size will continue to decrease by 2010.

TABLE 1. HOUSEHOLD SIZE AND STRUCTURE

	2000	2005	Projected 2010
Households	1,296	1,477	1,614
Families	1,093	1,261	1,374
Average Household Size	3.48	3.47	3.46

Since 2000, the Los Fresnos housing market has exhibited marked vibrancy. In 2000, the total number of housing units in Los Fresnos was 1,480 units. In 2005, the number of housing units in Los Fresnos totaled 1,764 units – an increase of 19% in five years. The homeownership rate among Los Fresnos residents (defined as the number of owner-occupied units divided by all occupied units) increased to 80.5% from 2000 to 2005. The headship rate, which measures the percent of the population that are householders, grew slightly.

TABLE 2. HOMEOWNERSHIP RATE IN LOS FRESNOS

	2000	Percent	2005	Percent
All Housing Units	1,480	100.0%	1,764	100.0%
Occupied Units	1,296	87.6%	1,477	83.7%
Owners	1,007	68.0%	1,189	67.4%
Renters	289	19.5%	288	16.3%
Vacant Units	184	12.4%	287	16.3%
Homeownership Rate	77.7%		80.5%	
Headship Rate	28.7%		28.8%	

The majority of the housing stock in Los Fresnos consists of single family homes, which makeup approximately 86% of the housing stock. The number of multifamily units (6.4% of

the housing stock) shows that the composition of multifamily housing has continued to move away from larger multifamily structures (defined as having five or more units) towards smaller (two to four) multifamily units. Mobile homes make up 7.3% of the housing stock in Los Fresnos.

TABLE 3. HOUSING UNITS

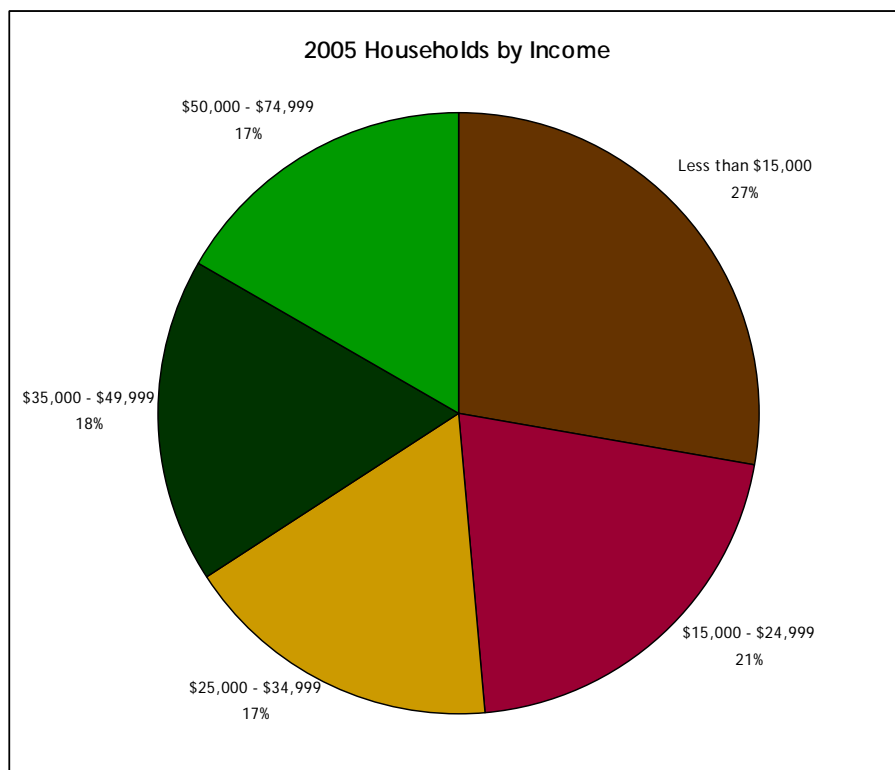
	Number	Percent
Total	1,477	100.0%
Single Family Units	1,275	86.3%
Single Family, Detached	1,251	84.70%
Single Family, Attached	24	1.60%
Multifamily Units	94	6.40%
Multifamily, 2 to 4 units	82	5.60%
Multifamily, 5 or more	12	0.80%
Mobile Home	108	7.30%

Economic Characteristics

Household Income

Los Fresnos fares comparably with the region regarding household income levels. Both Los Fresnos and Cameron County have a significantly higher concentration of low-income households as compared to the State of Texas and the United States. More than one-

CHART 6



quarter of all households earns less than \$15,000 a year; on the other side of the spectrum, only 0.5% of Los Fresnos households earn more than \$200,000. Approximately 48% of households in Los Fresnos earned less than \$25,000 in 2005, compared to 2004 figures of 49% in Cameron County, 28.9% statewide, and 19.6% nationally.² See Chart 6.

Income levels have increased steadily from 2000 to 2005. The median household income rose from \$25,389 in 2000, to \$39,500 in 2005 – an increase of over 20%. The average household income increased 23.5% between 2000 and 2005. The per capita income level increased from

² From US Census Bureau America's Community Survey (2005 estimate for Los Fresnos; 2004 estimates for Cameron County, Texas, and United States). www.census.gov

\$9,507 in 2000, to \$11,262 in 2005 – a 18.5% increase. While these increases are significant, income levels still fall well below state and national statistics.

TABLE 4. INCOME CHARACTERISTICS 2000-2005

	2000	2005	% Increase
Median Household Income	\$25,389	\$30,500	20.1%
Average Household Income	\$32,159	\$39,713	23.5%
Per Capita Income	\$9,507	\$11,262	18.5%

Labor & Employment

A look at employment patterns shows significantly higher unemployment rates in the Cameron County Workforce Development Area (WDA) as compared to statewide and nationwide unemployment figures. However, during the last three years, Cameron County’s unemployment rate has improved from a high of 9.5% in 2003, to 7.5% in 2005. In addition, as the labor force continues to grow or remain steady as it has since 2003, the unemployment rate has decreased. See Charts 7 and 8.

CHART 7

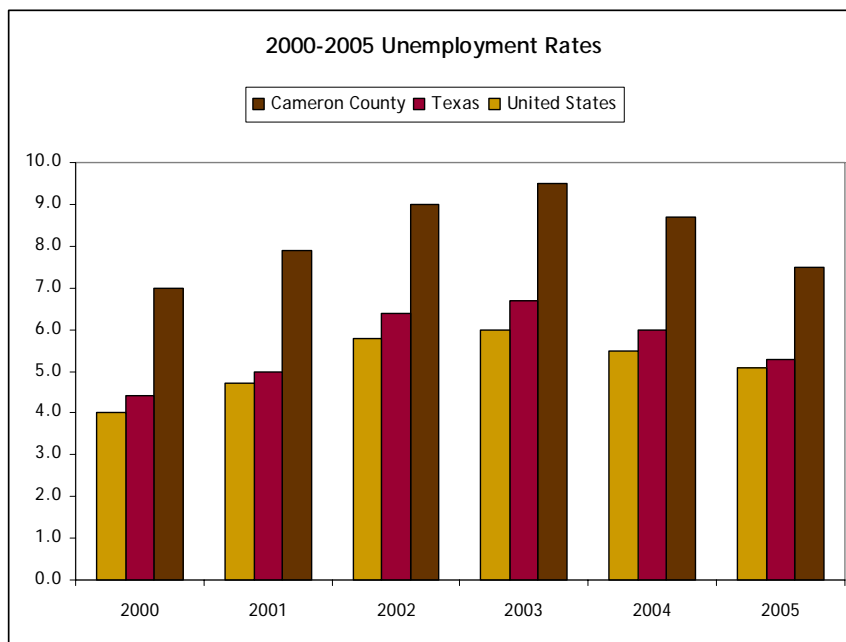
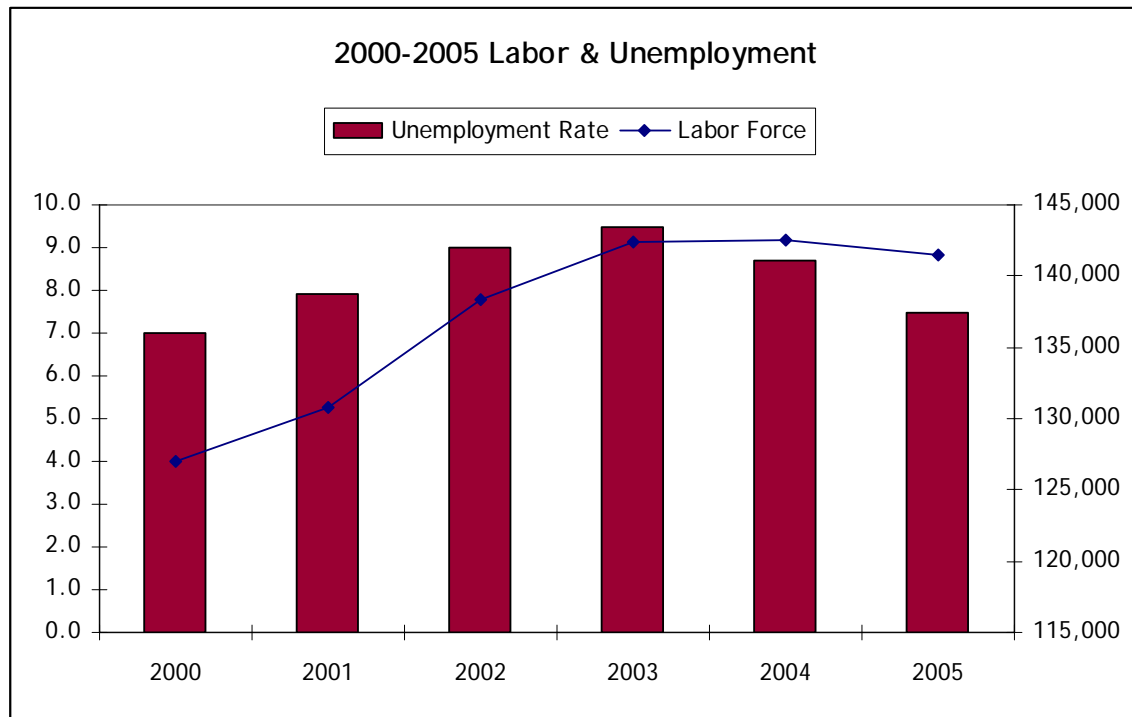


CHART 8

According to the 2000 Census, approximately 1,776 persons were in the civilian labor force in Los Fresnos. Of those persons, 1,651 persons were employed and 125 persons were unemployed. In 2000, the unemployment rate for Los Fresnos was a 7%, about the same as the unemployment rate in Cameron County. Unemployment rates for subsequent years for Los Fresnos are not available at the local level.

An analysis of industry employment data in Los Fresnos shows a large percentage of Los Fresnos' workforce is employed in the services industries (44.7%), followed by retail (17.3%); fire, insurance, and real estate (13.9%); construction (12.1%); government (6.4%), and other (5.7%). See Chart 9. The fact that nearly half of the labor force works in the services industry, along with occupational history growth and projections for the Cameron County Workforce Development Area, denote a shift toward a services oriented economy. See Table 7.

CHART 9

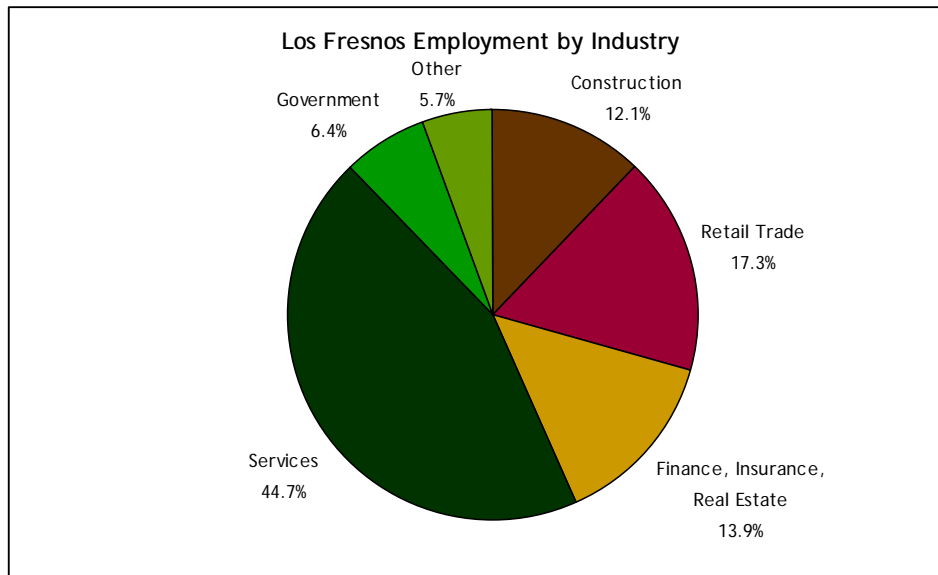


TABLE 7. GROWTH OCCUPATIONS IN CAMERON COUNTY WDA³

	Cameron County 1st Quarter 1990	Cameron County 1st Quarter 2000	US 1st Quarter 1990	US 1st Quarter 2005	Local Percent Change	National Percent Change
Administrative and Support Services	1123	4718	4068477	7350333	320.1%	80.7%
Ambulatory Health Care Services	4101	14380	2950065	5092156	250.6%	72.6%
Warehousing and Storage	177	545	312872	571983	207.9%	82.8%
Construction of Buildings	439	1168	1287773	1594144	166.1%	23.8%
Social Assistance	1699	4190	1226372	2267493	146.6%	84.9%
Waste Management and Remediation Services	129	301	260811	326213	133.3%	25.1%
Electronics and Appliance Stores	195	421	404689	523948	115.9%	29.5%
Transit and Ground Passenger Transportation	72	154	295907	394670	113.9%	33.4%
Support Activities for Transportation	509	1035	369457	538502	103.3%	45.8%
Nursing and Residential Care Facilities	1288	2475	2086243	3027911	92.2%	45.1%
Food Services and Drinking Places	4419	8383	6055234	8730122	89.7%	44.2%
Couriers and Messengers	164	288	343405	555821	75.6%	61.9%
Specialty Trade Contractors	1442	2458	2887833	4271135	70.5%	47.9%
Financial Investment & Related Activities	93	148	501268	779886	59.1%	55.6%
Educational Services	11625	17840	8903054	12002940	53.5%	34.8%
Local Gov't.	3589	5474	3914588	5074017	52.5%	29.6%
Building Material & Garden Supply Services	693	1015	884788	1207569	46.5%	36.5%
Membership Organizations & Associations	826	1202	1015342	1263648	45.5%	24.5%
Furniture and Home Furnishings Stores	387	550	437024	567399	42.1%	29.8%
Motor Vehicle and Parts Dealers	1460	1933	1525280	1884708	32.4%	23.6%

³ Source: Texas Workforce Commission

Business Characteristics

According to business projections there are 139 businesses in Los Fresnos. Like the employment data, services (40.3%), retail (21.6%); finance (9.4%), construction (8.6%), and government (8.6%) represent the largest number businesses located in the city. See Table 8.

TABLE 8

	BUSINESSES	
	Number	Percent
Agriculture & Mining	1	0.7%
Construction	12	8.6%
Manufacturing	0	0.0%
Transportation	4	2.9%
Communication	1	0.7%
Electric, Gas, Water, Sanitary Services	3	2.2%
Wholesale Trade	6	4.3%
Retail Trade Summary	30	21.6%
Home Improvement	2	1.4%
General Merchandise Stores	3	2.2%
Food Stores	5	3.6%
Auto Dealers, Gas Stations, Auto Aftermarket	2	1.4%
Apparel & Accessory Stores	0	0.0%
Furniture & Home Furnishings	0	0.0%
Eating & Drinking Places	11	7.9%
Miscellaneous Retail	7	5.0%
Finance, Insurance, Real Estate Summary	13	9.4%
Banks, Savings & Lending Institutions	7	5.0%
Securities Brokers	1	0.7%
Insurance Carriers & Agents	2	1.4%
Real Estate, Holding, Other Investment Offices	3	2.2%
Services Summary	56	40.3%
Hotels & Lodging	2	1.4%
Automotive Services	5	3.6%
Motion Pictures & Amusements	4	2.9%
Health Services	7	5.0%
Legal Services	1	0.7%
Education Institutions & Libraries	5	3.6%
Other Services	32	23.0%
Government	12	8.6%
Other	1	0.7%

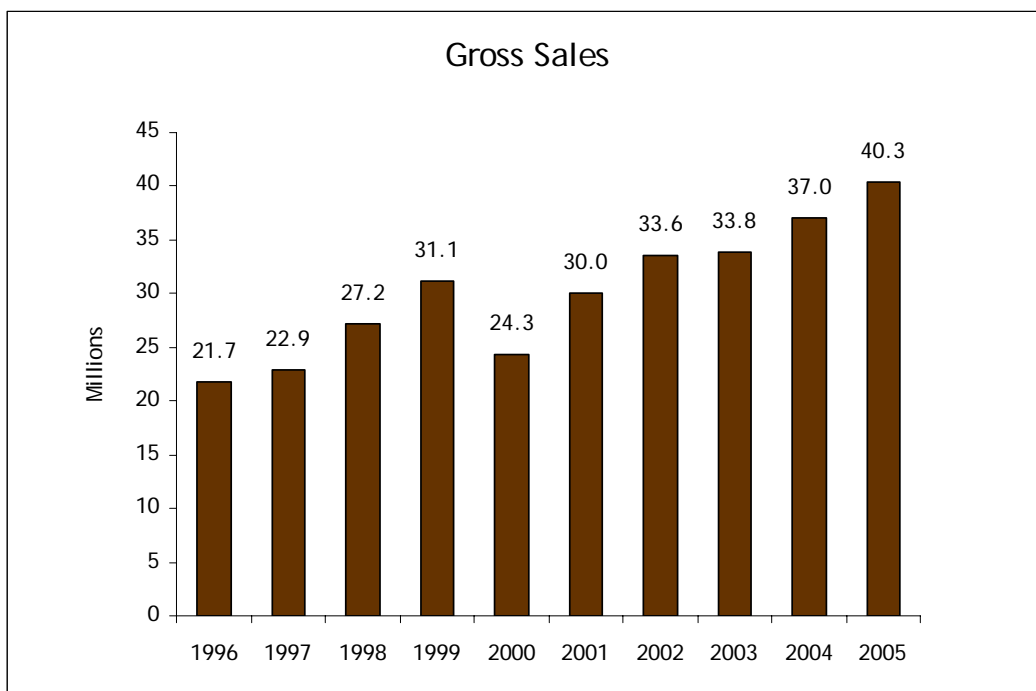
Totals

139

100.0%

A review of economic indicators shows that Los Fresnos has experienced steady economic growth over the past few years, with the exception of year 2000. Based on data from the Texas Comptroller of Public Accounts, gross sales for the city have risen 85% from \$21.7 million in 1996, to \$40.3 million in 2005, an increase of 85 percent. The retail industry generates the majority of gross sales, accounting for 61% of total gross sales in Los Fresnos. See Chart 10.

CHART 10 GROSS SALES FOR LOS FRESNOS, TEXAS⁴

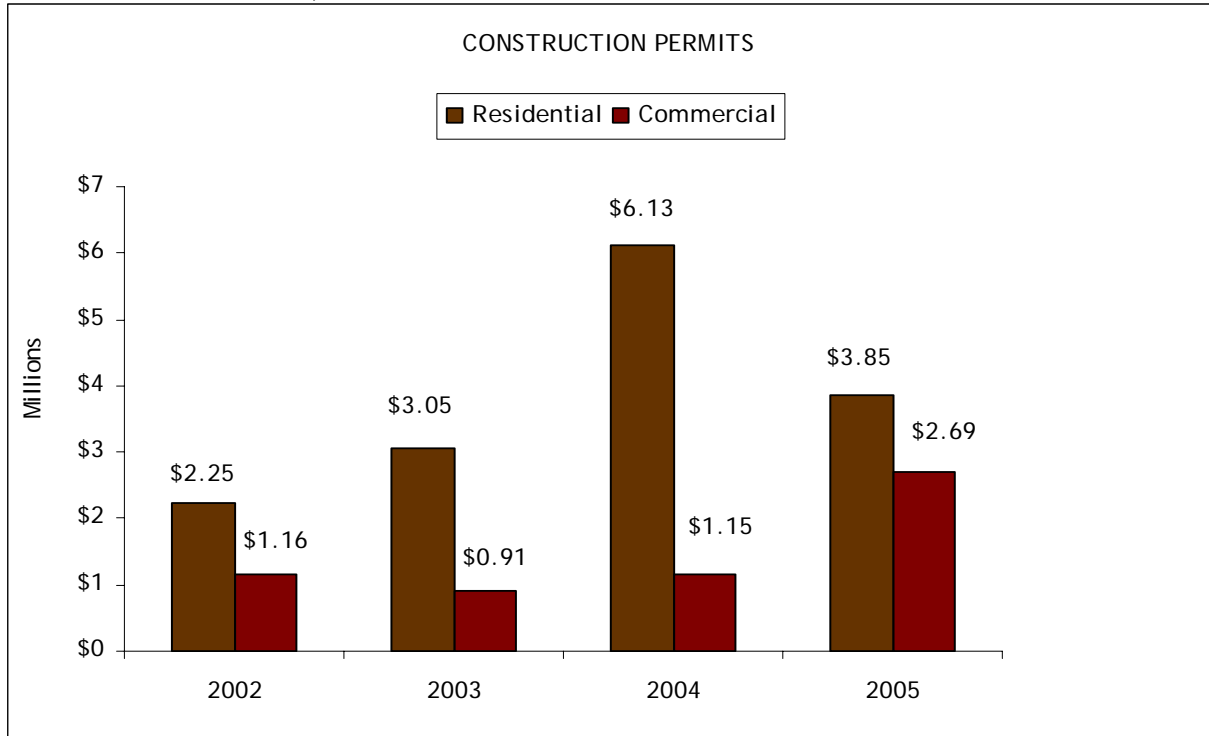


Another indicator of economic growth mirroring the growth of sales tax receipts is building permits. Building permit activity provides a snapshot of how robust construction. Los Fresnos has experienced a steady increase in the value of residential and commercial construction permits over the last four years, particularly in 2004 when the value of residential construction permits doubled from \$3 million to \$6 million. Commercial building experienced

⁴ Source: Texas Comptroller of Public Accounts

a similar spike in building in 2005, when the value of commercial building permits doubled from \$1.15 million in 2004, to \$2.69 million in 2005. See Chart 11.

CHART 11



Community Input

Community Survey Results

Of approximately 1,500 surveys sent to Los Fresnos households, a total of 269 were returned to CoSERVE, a 18% return rate. The findings below show the summaries of the analyses of the respondent's answers.

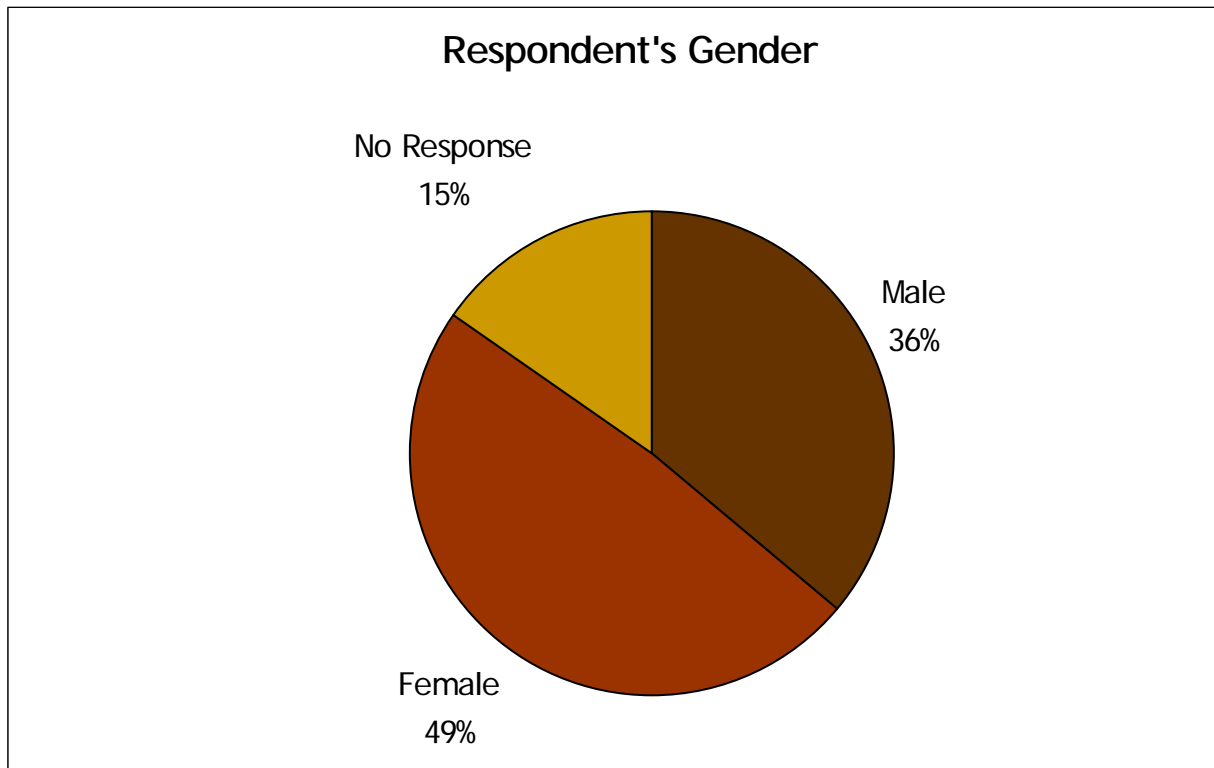
General Profile of Respondents

Gender

Almost half of the respondents were female, at 49%. Thirty-six (36%) percent were male.

Fifteen percent did not respond to this question. See Chart 12.

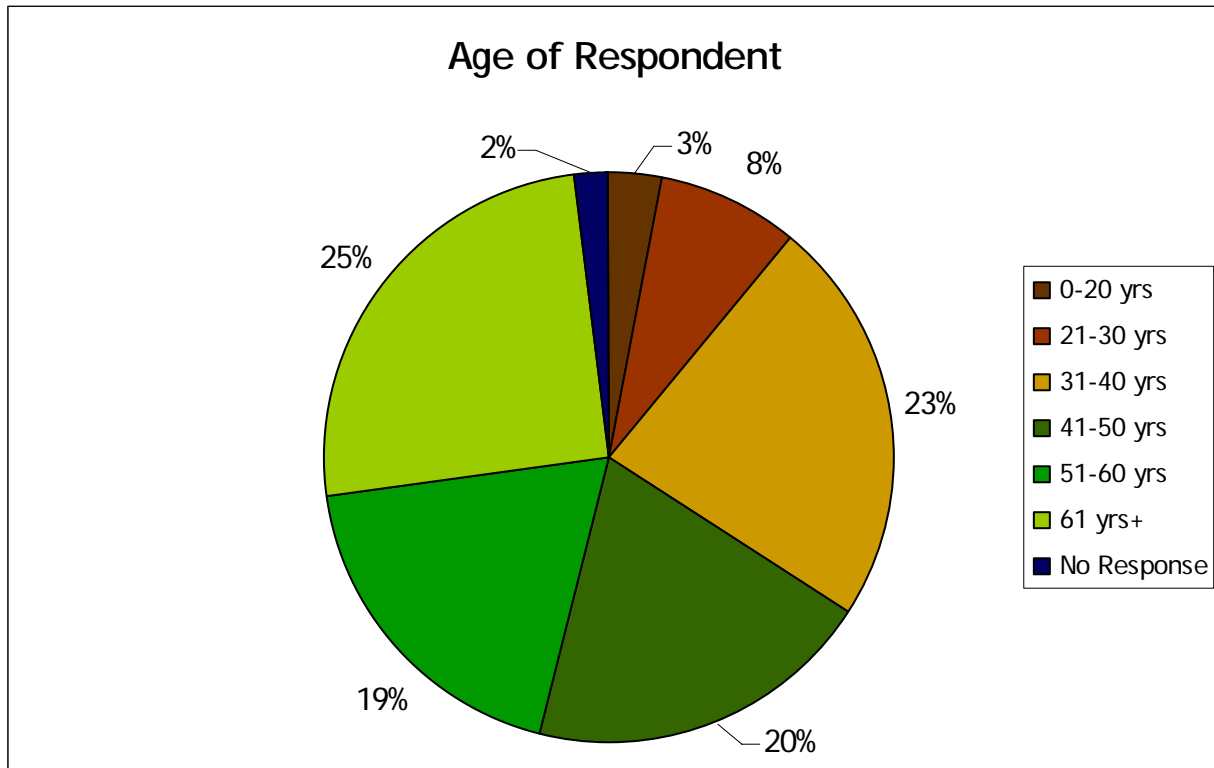
CHART 12



Age

A large number of respondents were over the age of 60 and between the ages of 31-40. Though this may not represent the actual breakdown of the ages of residents in Los Fresnos, it is fair to surmise that these two age groups (Over 61 and between 31-40) were the most responsive in returning their questionnaires. See Chart 13.

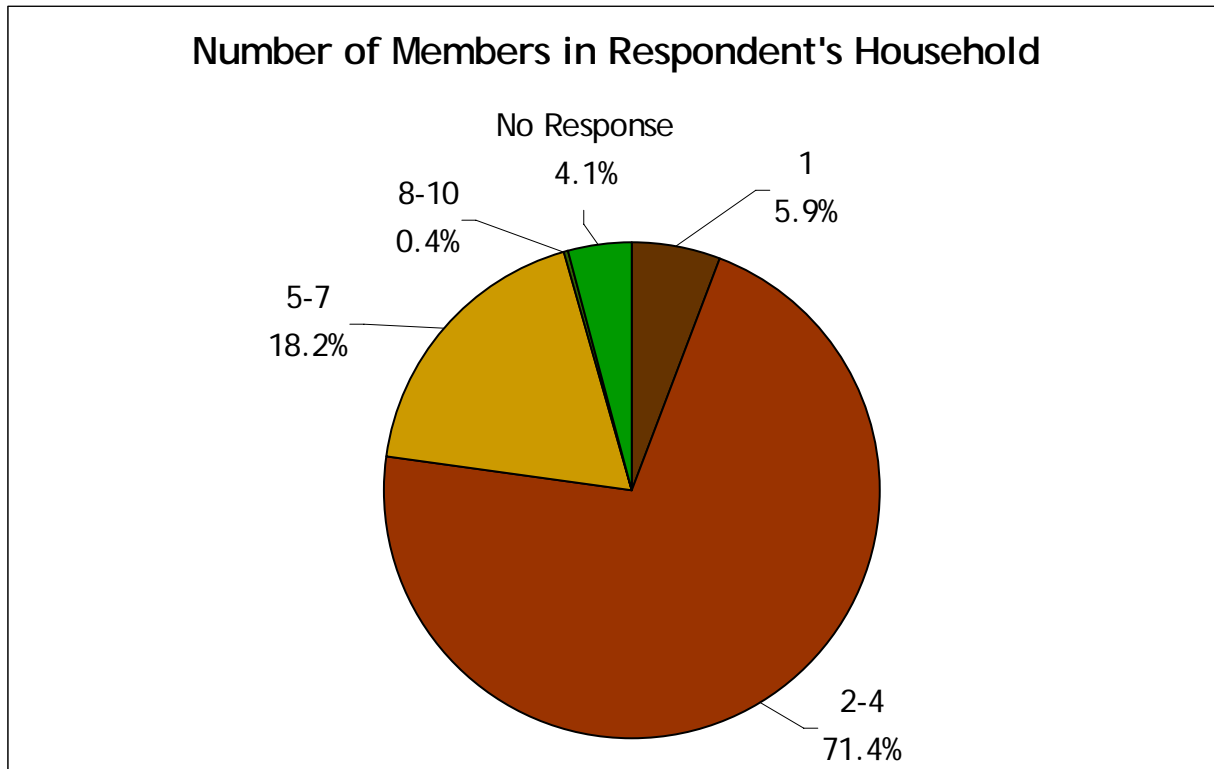
CHART 13



Household Size

The average household size that respondents reported was between 2 and 4 family members, at 71.4%. The range between 5 and 7 family members came in second, at 18.2%. See Chart 14.

CHART 14

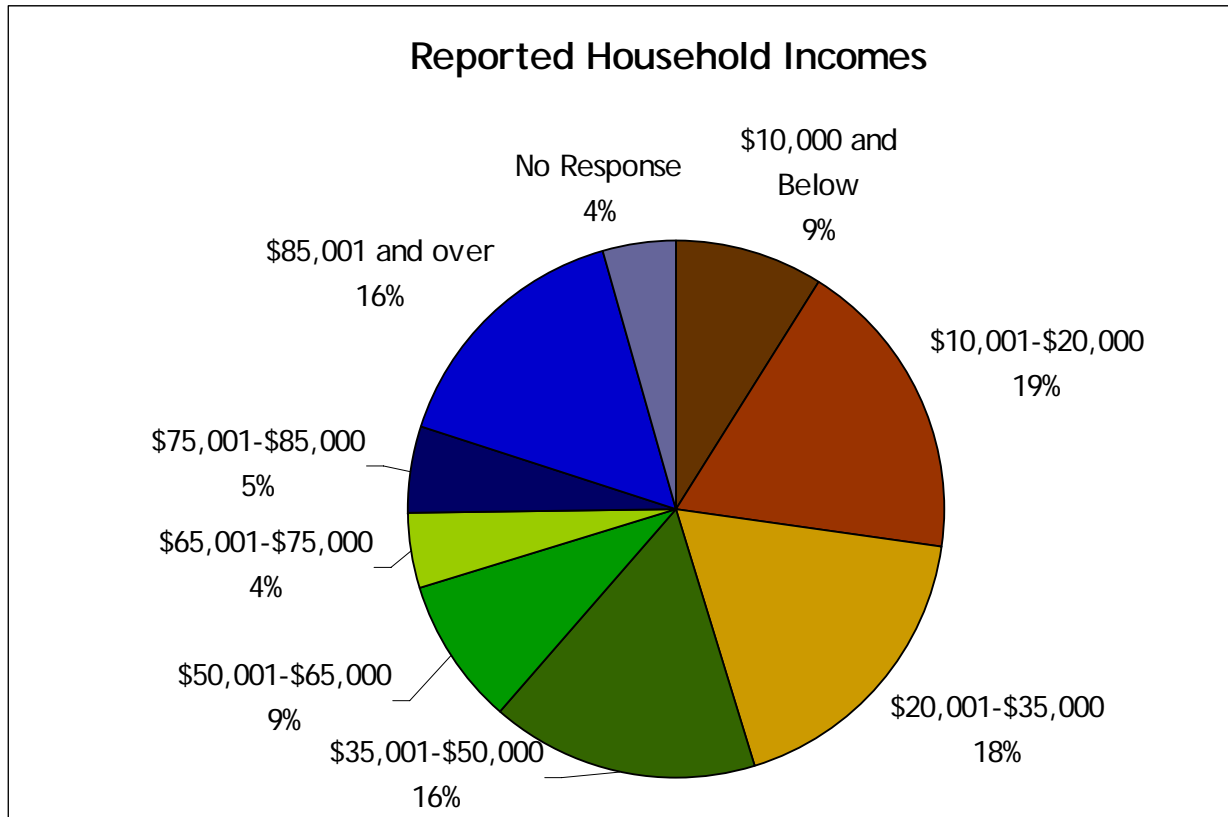


Household Income

The 2004 federal poverty rate for a family of four is \$18,850⁵. This means that to be considered above the poverty level, a family needs to make over \$18,850 annually. Only 28% of respondents reported income levels of less than \$20,000. Compared with the Census figures for 2005, which show that almost half of Los Fresnos residents make less than \$25,000, this figures demonstrates that respondents reported higher income levels. See Chart 15.

⁵ Source: U.S. Department of Health and Human Services, 2004 Federal Poverty Guidelines

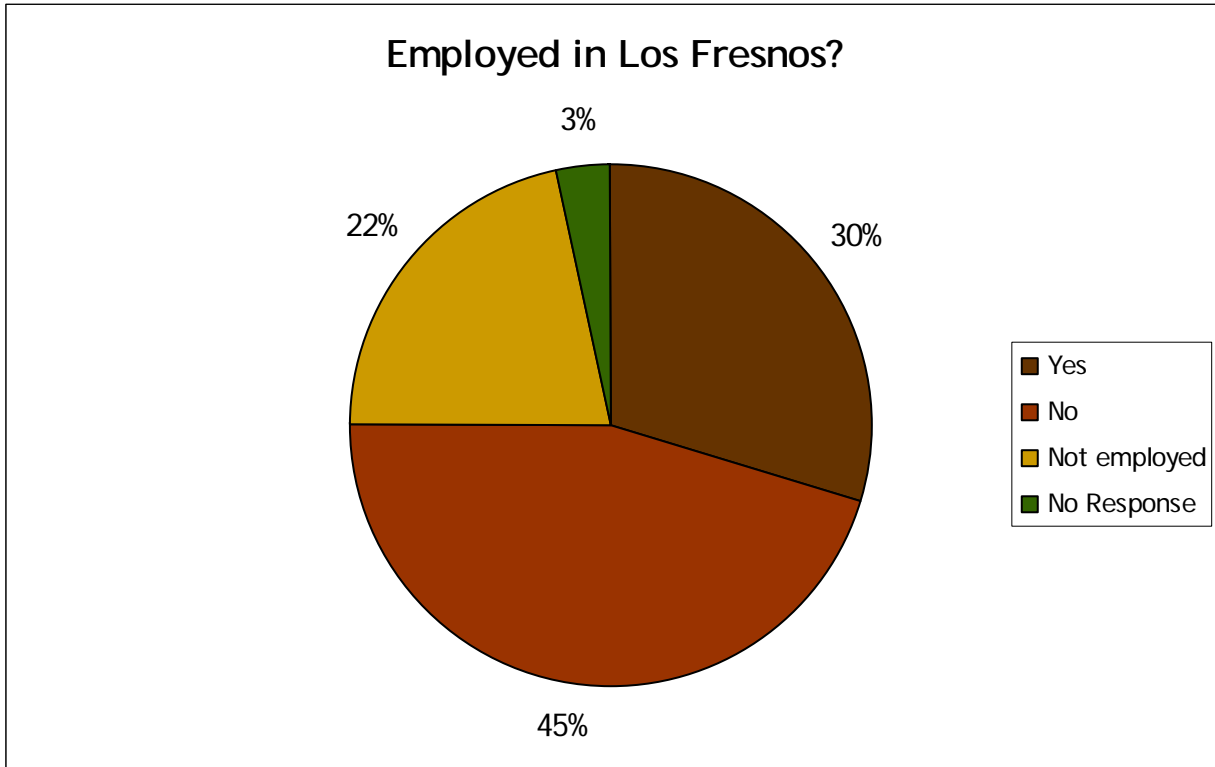
CHART 15



Employment

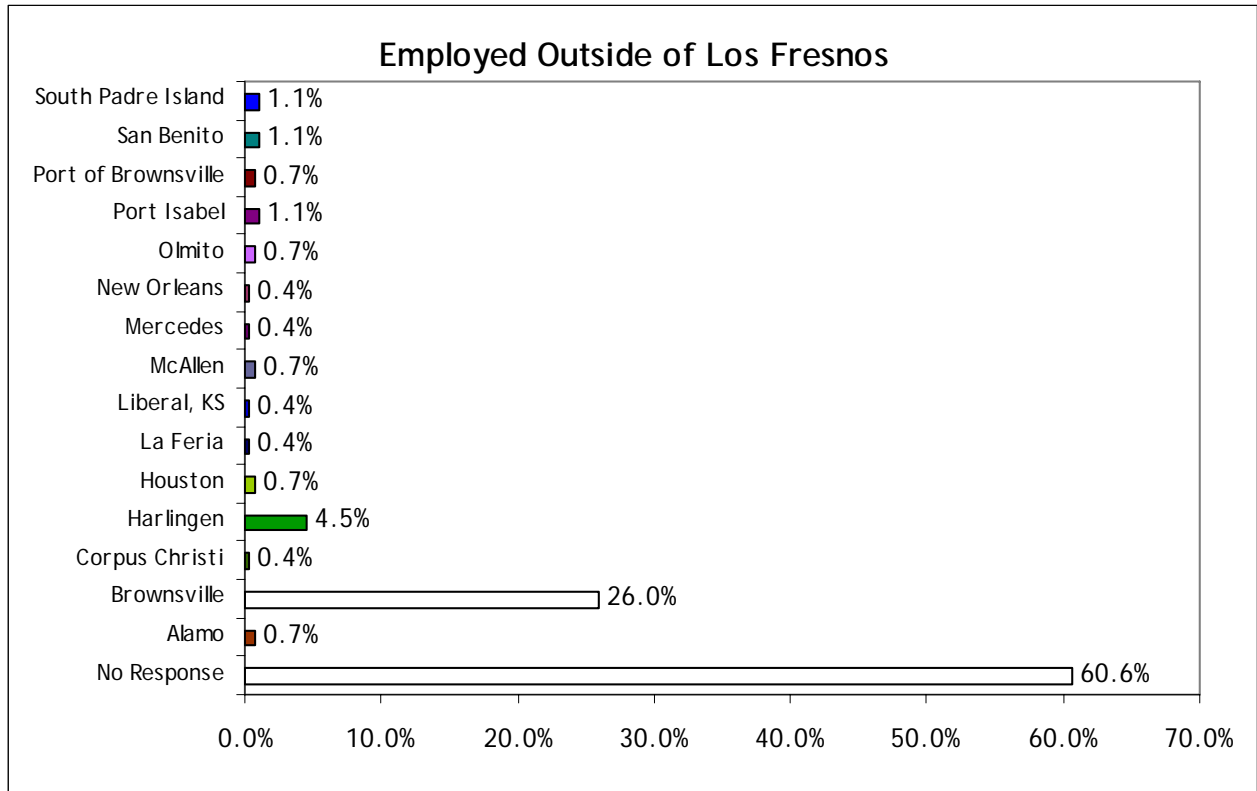
Of the 296 respondents, nearly half (45%) were employed outside of Los Fresnos. Coincidentally, when conducting the assessments, CoSERVE staff noticed that a large number of employees in Los Fresnos commuted to work outside of Los Fresnos. This information denotes that a large majority of the workforce in Los Fresnos commutes to different locations in the Valley for employment. See Chart 16.

CHART 16



A large majority of respondents that were not employed in Los Fresnos worked in the surrounding communities. Twenty-six percent (26%) commuted over twelve miles to Brownsville for employment. Four percent commuted to work in Harlingen. See Chart 17.

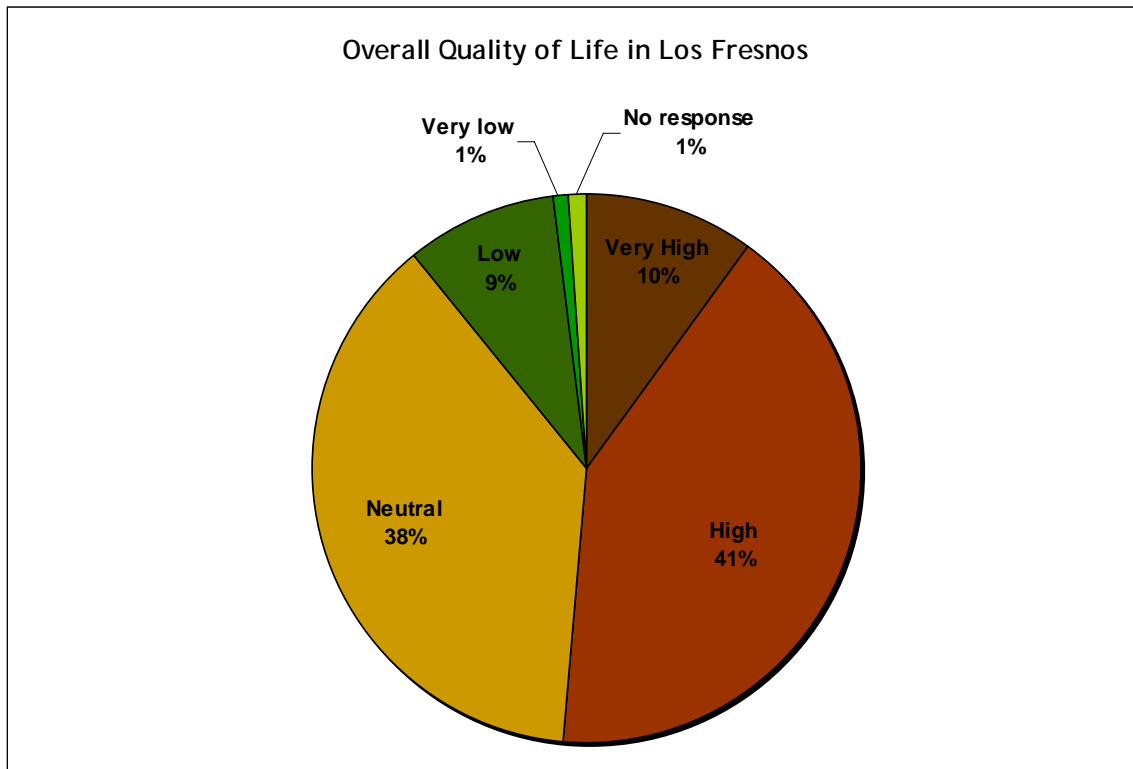
CHART 17



Quality of Life

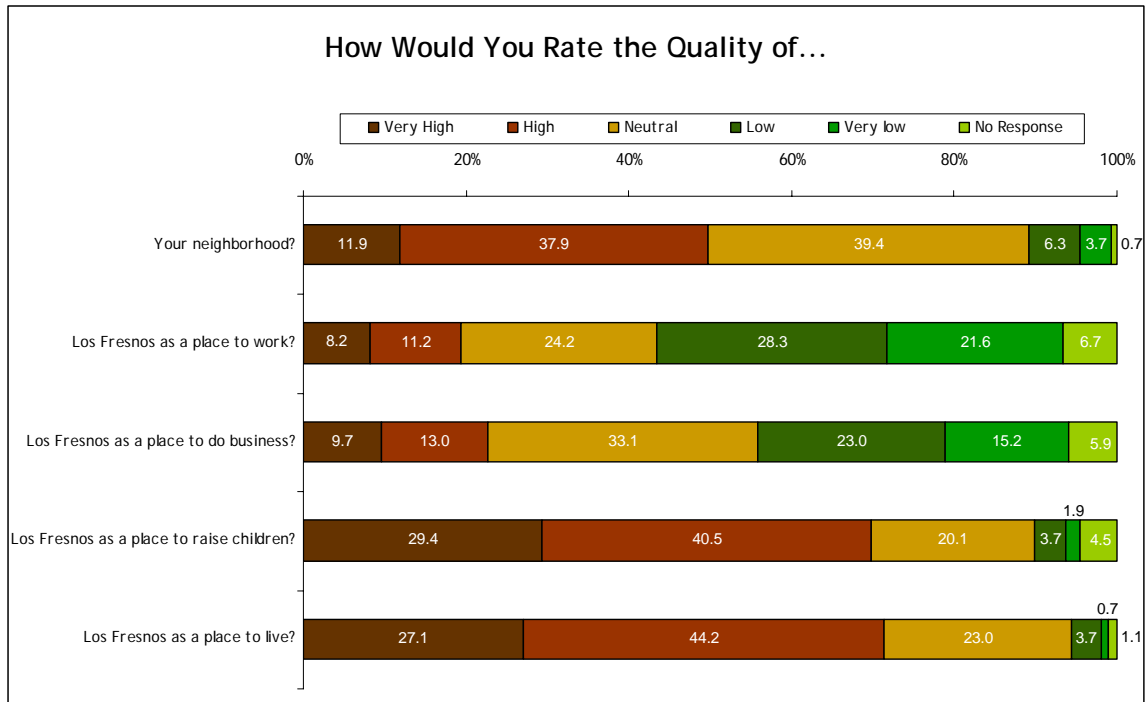
Overall, most respondents were generally pleased with their overall quality of life in Los Fresnos. Ten percent (10%) considered their overall quality of life in Los Fresnos to be "very high", with forty-one percent (41%) of respondents considering the quality of life in Los Fresnos to be "high". Only ten percent (10%) considered their quality of life in Los Fresnos to be "low" or "very low". See Chart 18.

CHART 18



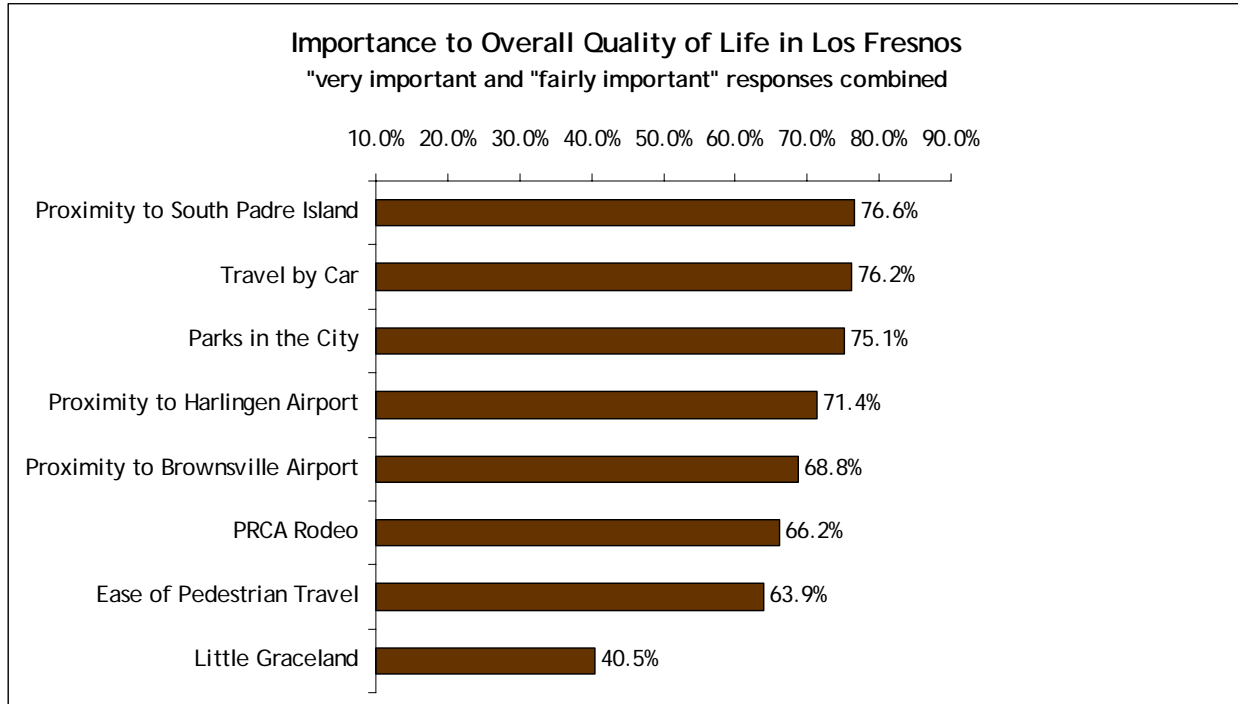
Respondents also rated the quality of the following: their neighborhood, Los Fresnos as a place to work, Los Fresnos as a place to do business, Los Fresnos as a place to raise children, and Los Fresnos as a place to live. Over seventy-one percent (71.3%) of respondents rated Los Fresnos as a place to live "high" or "very high", and seventy percent (69.9%) rated Los Fresnos as a place to raise children "high" or "very high". This denotes respondent's great satisfaction with Los Fresnos with regard to their families and general quality of place. The lowest ratings were in regard to Los Fresnos as a place to work, at nearly fifty percent (49.9%) of respondents rating Los Fresnos as a place to work as "low" or "very low". Perhaps the overwhelming number of residents reflected their opinion of Los Fresnos' limited employment opportunities because they work outside of Los Fresnos. Los Fresnos as a place to do business also rated "low" and "very low" with 38.2% of the respondents. See Chart 19.

CHART 19



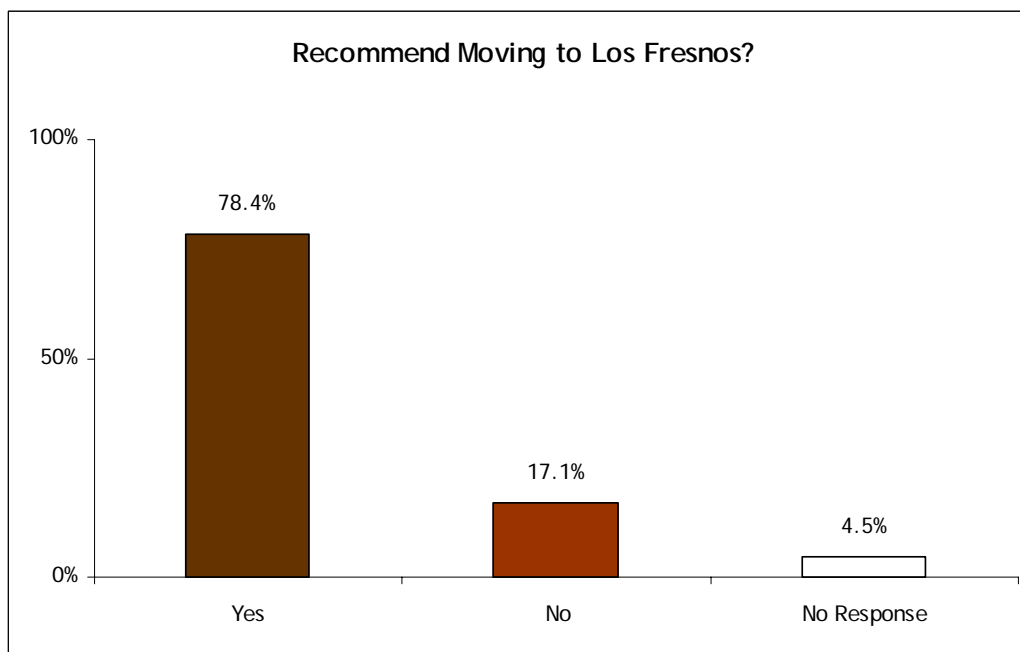
Respondents rated the following categories as to their overall importance to the quality of life in Los Fresnos. Los Fresnos' proximity to South Padre Island was the leader in this category of questioning. Travel by car and the availability of parks in the city were also rated as being important to the quality of life. Other high rankings of importance to Los Fresnos residents were proximity to Harlingen and Brownsville airports. Residents recognize the airports are important in bringing tourists to South Padre Island, Brownsville, and Matamoros for vacations, conventions, shopping, tourism, and business. See Chart 20.

CHART 20



When asked if they would recommend to others to move to Los Fresnos, an overwhelming majority (78.4%) of respondents said "yes". See Chart 21.

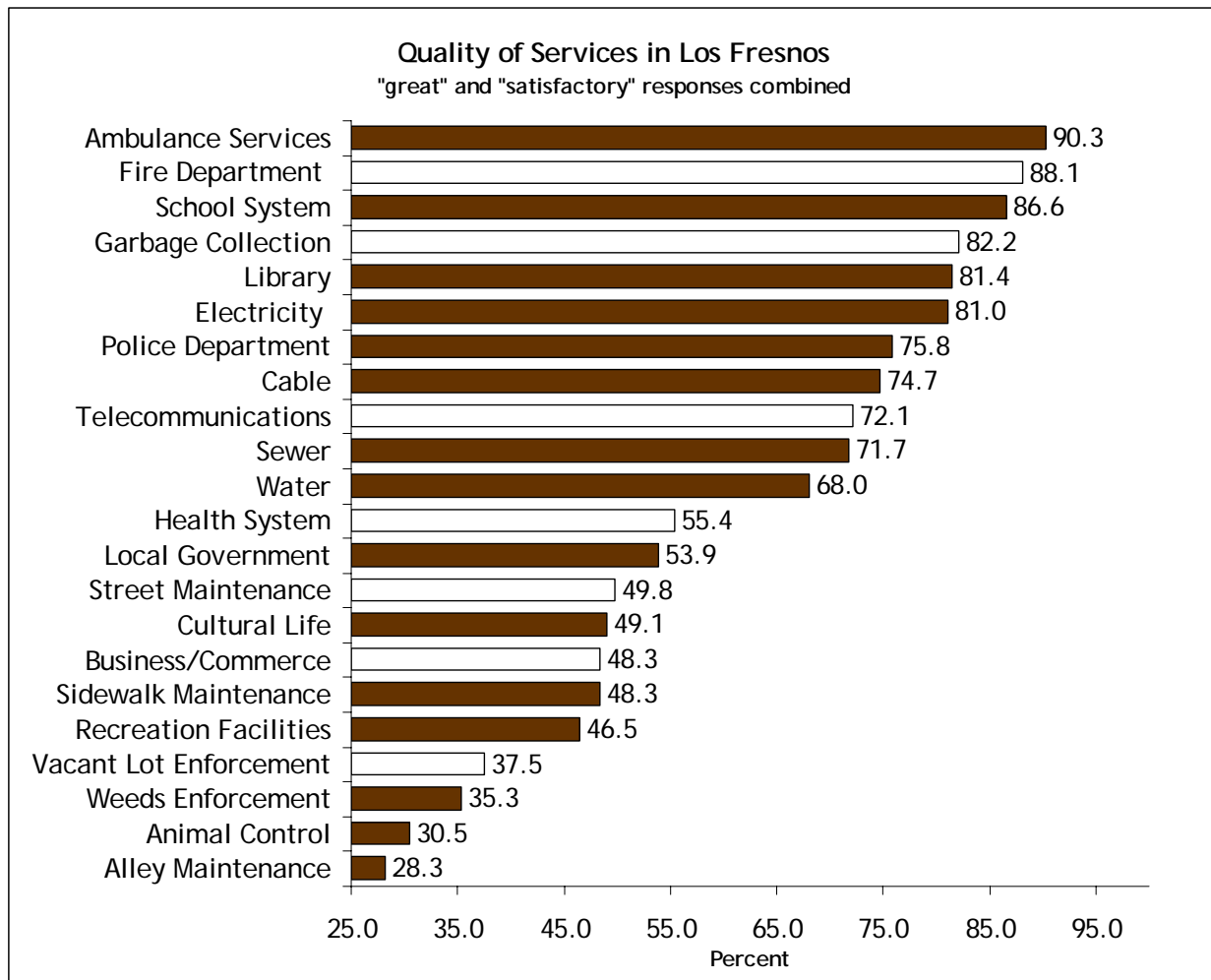
CHART 21



Quality of Services

Survey respondents were asked to rate the quality of services in the City of Los Fresnos as great, satisfactory, or poor. Respondents rated the ambulance service (90%), fire department (88%), quality of the school system (86%), garbage collection (82%), library (81%), and electricity service (81%) the highest when combining "great" and "satisfactory" ratings. See Chart 22.

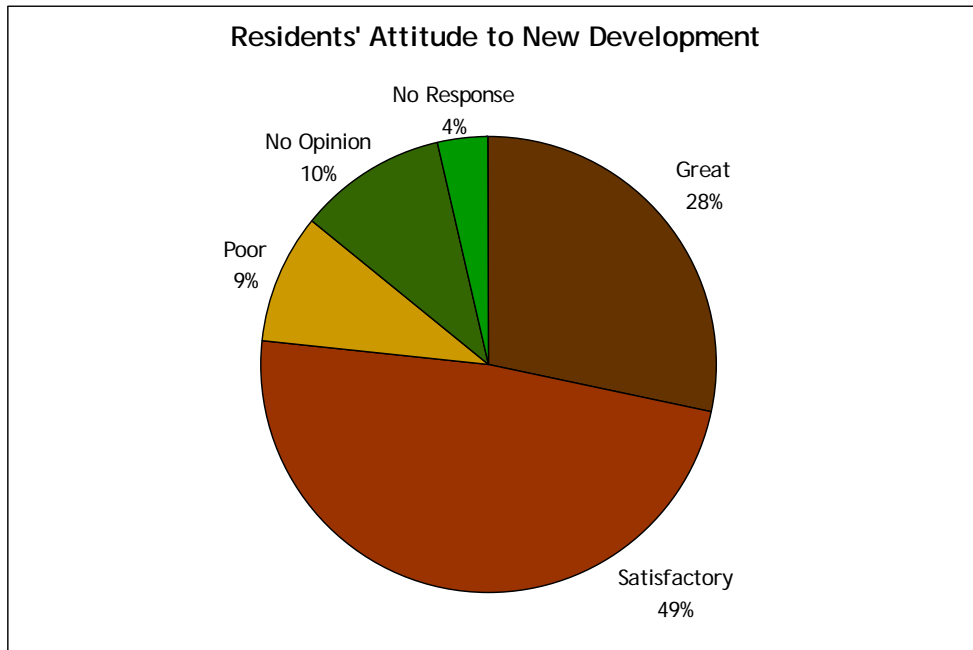
CHART 22



Alley maintenance (61%), animal control (58%), weeds enforcement (54%), vacant lot enforcement (50%), recreational facilities (46%), street maintenance (46%), sidewalk maintenance (45%), business/commerce life (45%), cultural life (42%), and health system (35%) received the highest "poor" ratings.

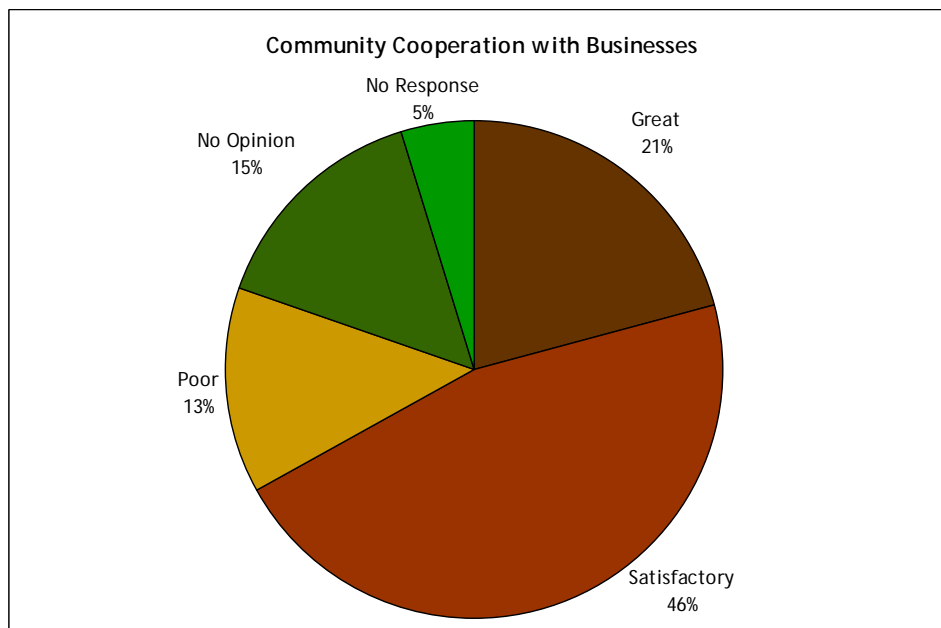
Attitudes Toward Business

CHART 23



Respondents were asked to rate their attitudes toward new development, as well as how they saw the community cooperate with new businesses. Results show that respondents were generally satisfied with both. See Charts 23 and 24.

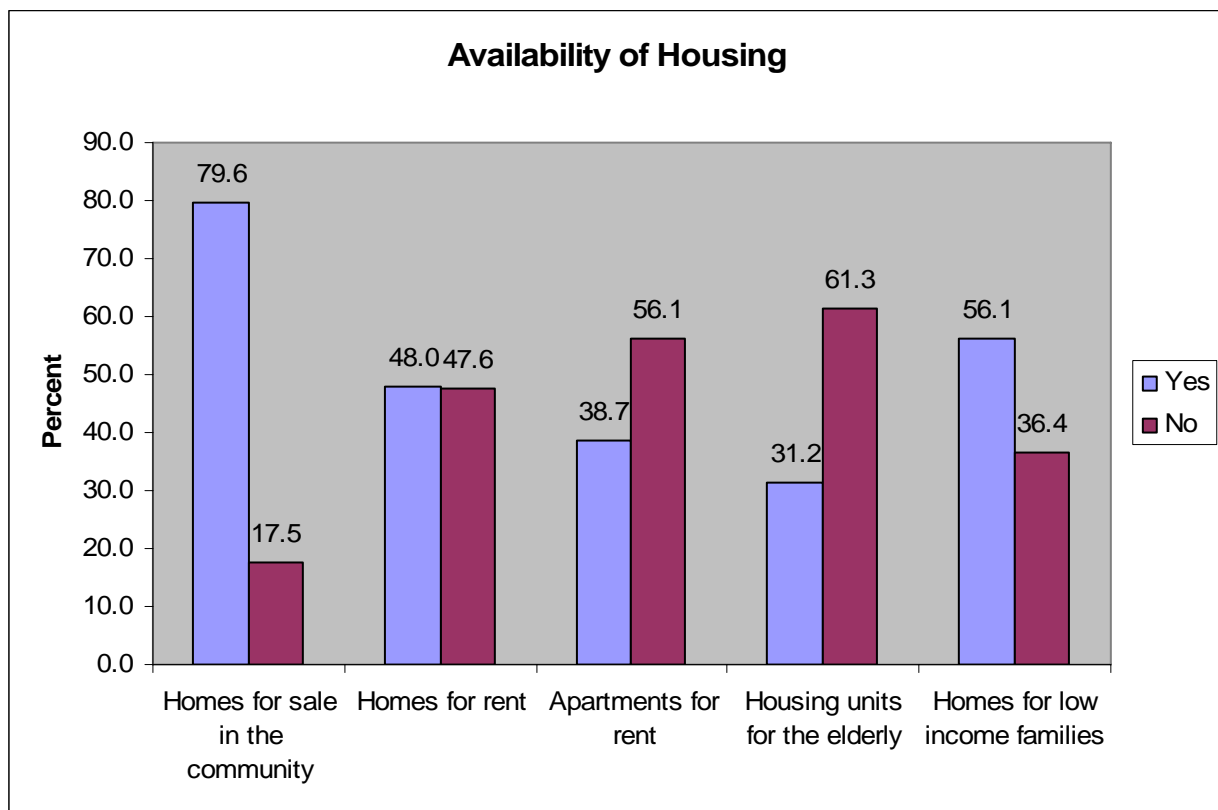
CHART 24



Availability of Housing

Respondents believed there was an adequate supply of homes for sale in the community (79%). They also believed there is an adequate supply of homes for low-income residents (56%). Respondents were divided on if there were enough homes for rent with 48% saying there were enough and 48% saying there wasn't enough. Respondents did not believe there were enough housing units for the elderly (61%) and apartments for rent (56%). See Chart 25.

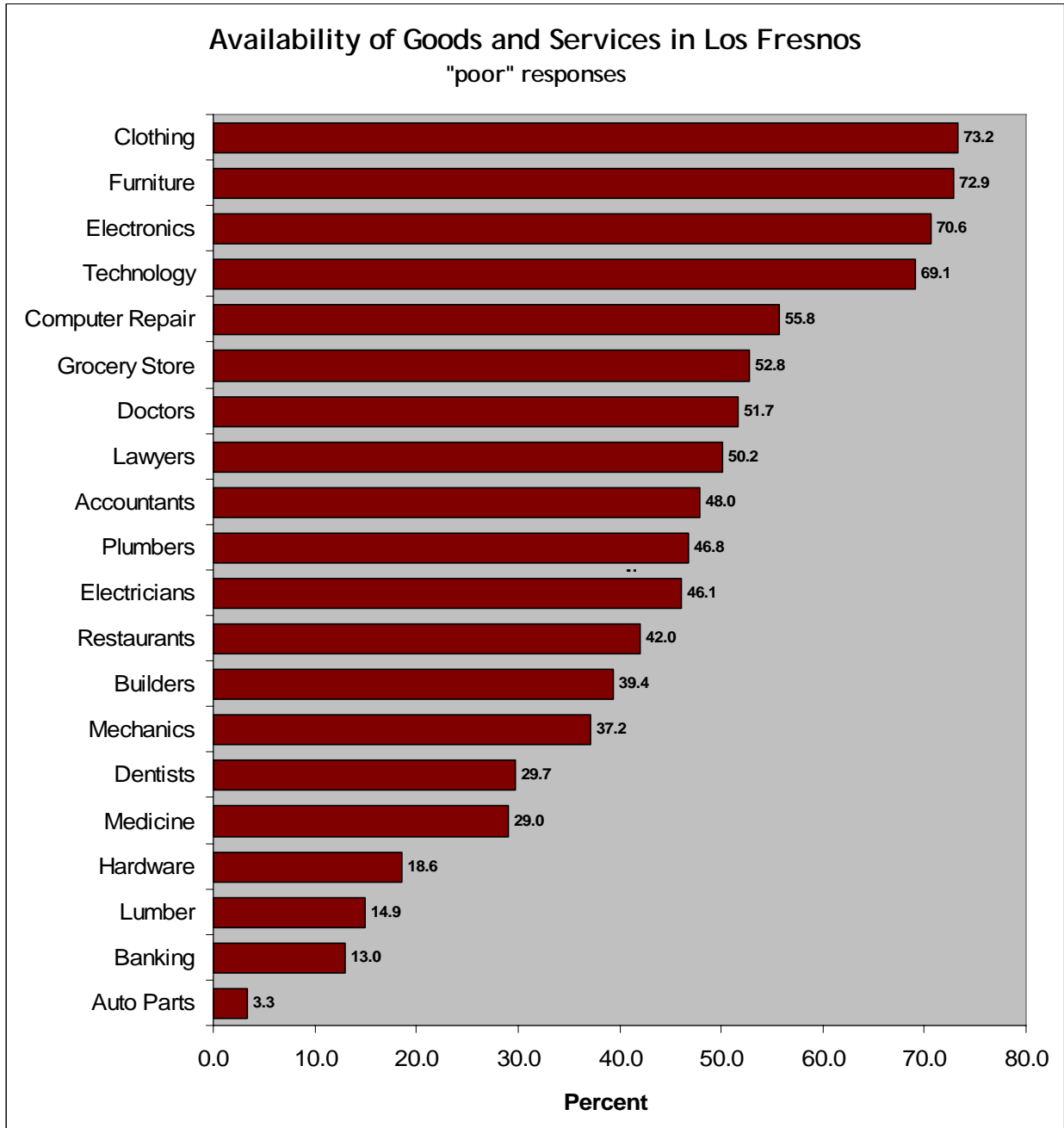
CHART 25



Availability of Goods and Services

Respondents rated the availability of clothing (73.2%), furniture (72.3%), electronics (70.6%), technology (69.1%), computer repair (55.8%), grocery (52.8) stores as "poor" when asked about the availability of goods and services in Los Fresnos. See Chart 26.

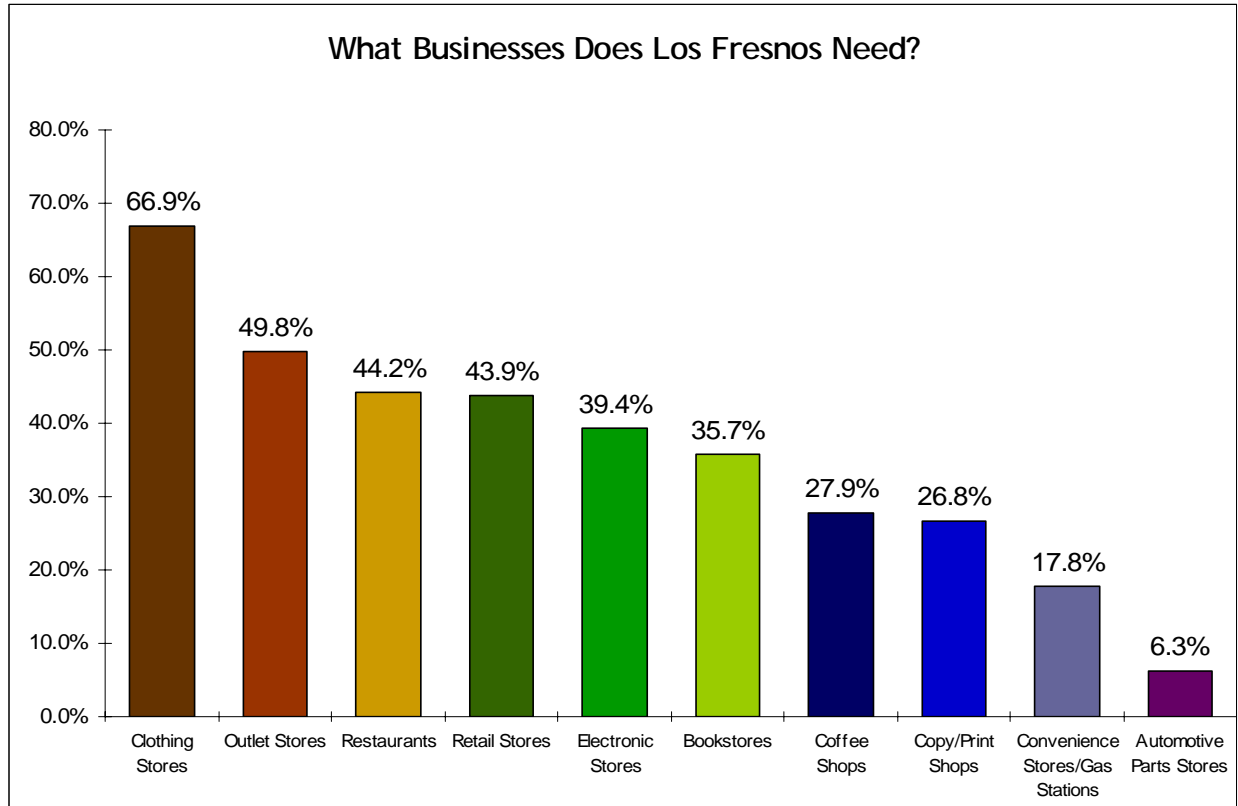
CHART 26



Businesses Needed

When asked what types of businesses were needed in Los Fresnos, a large number of respondents favored clothing stores, outlet stores, restaurants and retail stores. See Chart 27.

CHART 27

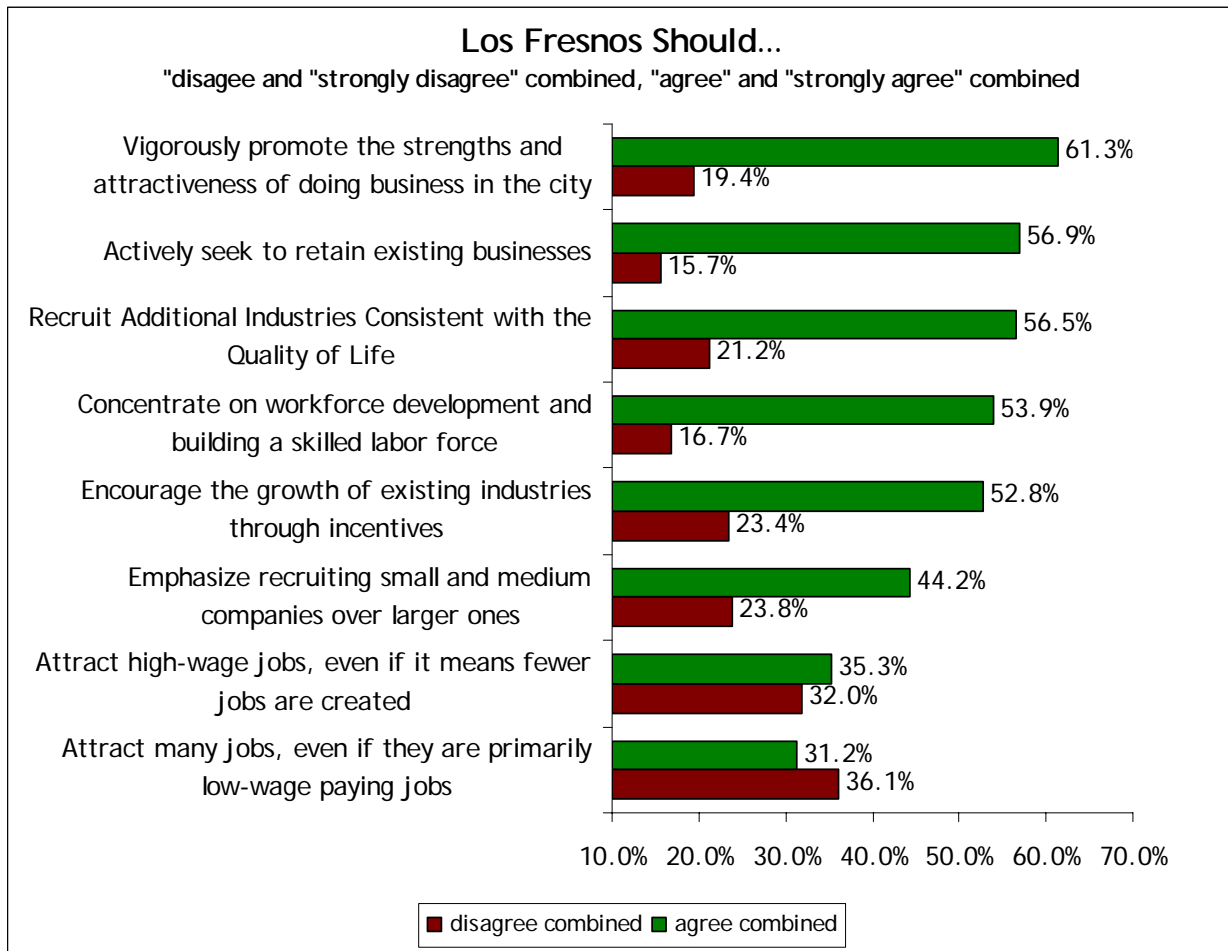


Though not listed as a survey selection, grocery stores topped the list of businesses that respondents were allowed to give their individual responses. In particular, HEB and Wal-Mart were the businesses listed with the most frequency. Other frequent responses included food chains such as Whataburger, Church’s Chicken, Pizza Hut and McDonald’s.

Recruiting Businesses & Jobs

Respondents were asked to agree or disagree with different scenarios as to what Los Fresnos should do to improve employment conditions and stimulate economic development in the city. Vigorously promoting the strengths and attractiveness of the city, actively seeking to retain existing businesses, recruiting additional industries, building a better workforce, and using incentives for existing industry were the top rated answers given by residents. See Chart 28.

CHART 28



Business Survey Results

Business Response

Twenty-four businesses in Los Fresnos responded to the survey. A variety of businesses responded to the survey including: restaurants, convenience stores, building materials, attorney, accountant, child care, health clinic, finance/insurance, beauty shop/hair salon, office machine, and other businesses. Restaurants accounted for the majority of the businesses that responded (20.8%). See Table 8.

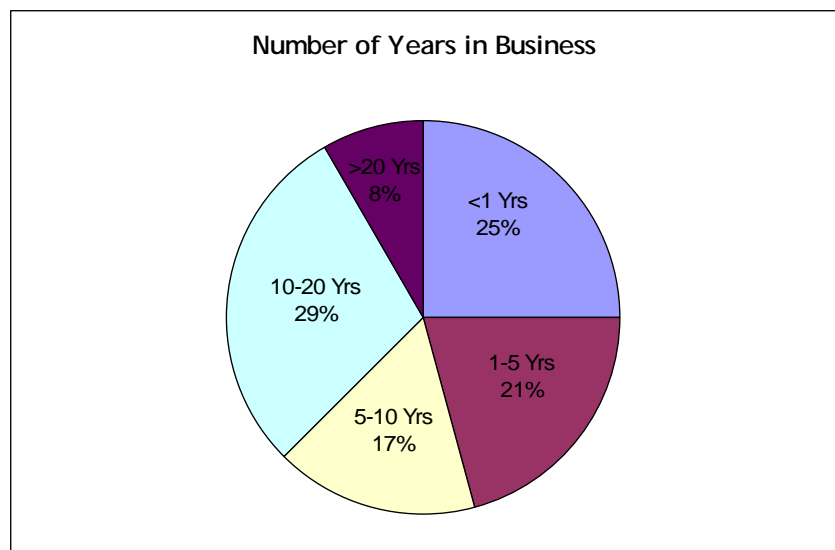
TABLE 8. BUSINESS RESPONDENTS

Type of Business	% of Businesses
Restaurant	20.8
Retail (general)	12.5
Lumber Yard/Building Material	8.3
Beauty Shop/Hair Salon	8.3
Health/Medical Clinic Office Machine	8.3
Convenience Store	4.2
Postal Business Center	4.2
Services (general)	4.2
Attorney	4.2
Finance/Insurance	4.2
Office Machine	4.2
Food Business	4.2
Laundry	4.2
Accountant	4.2
Child Care Center	4.2

Years in Business and Present Location

One quarter of the businesses surveyed have been in business for less than a year. Another 21% have been in business from 1 to 5 years. Seventeen percent have been in business for 5 to 10 years. And 37% have been in business for more than 10 years. See Chart 29.

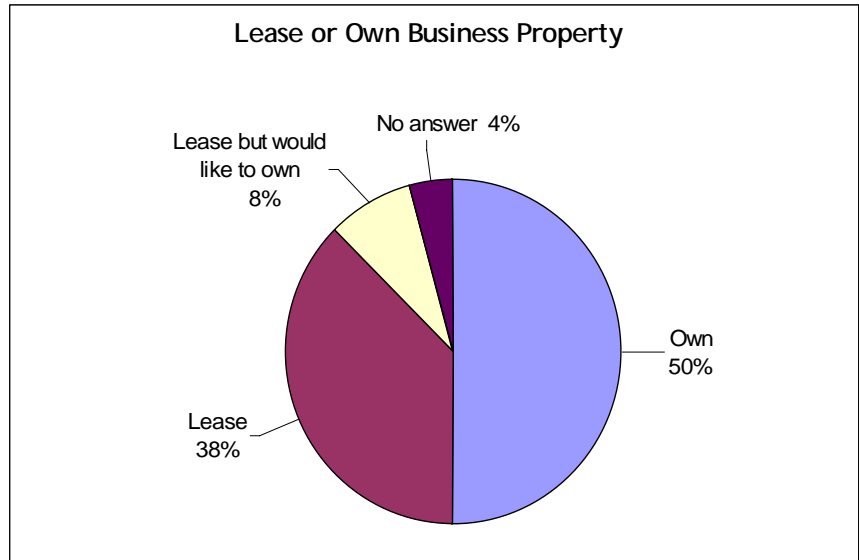
CHART 29



Lease or Own

Half of the businesses surveyed (50%) in Los Fresnos own the land and building they are at. An almost equal number of businesses surveyed (46%) said they lease their business space. Eight percent of the businesses that are leasing expressed an interest in buying a location. See Chart 30.

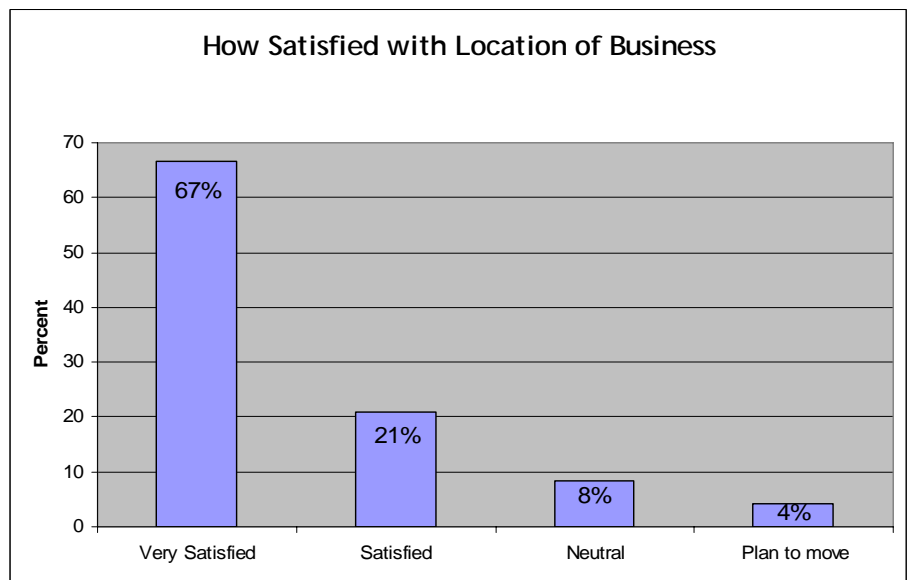
CHART 30



How Satisfied with Business Location

The majority of businesses surveyed in Los Fresnos are satisfied with the location of their business. Nearly nine out of every ten businesses (87%) surveyed said they were "very satisfied" or "satisfied" with their business location.

CHART 31

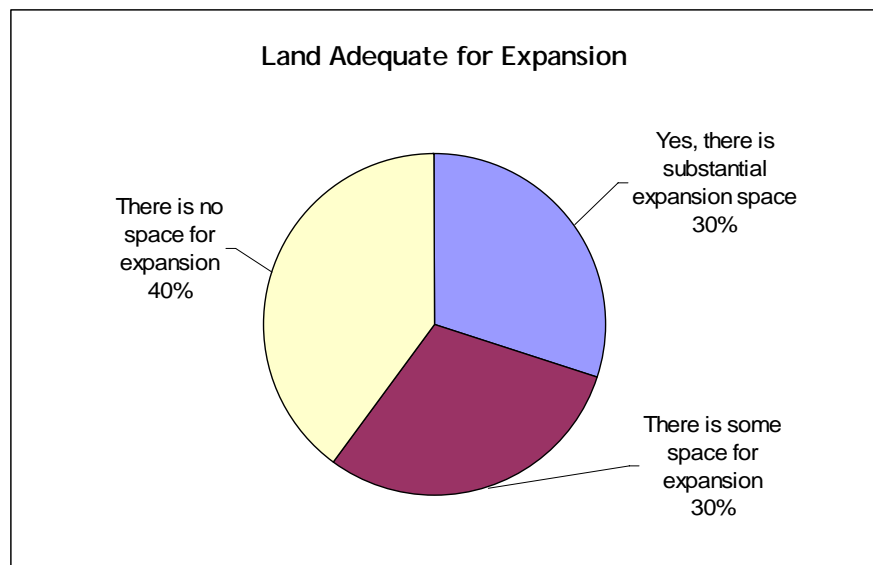


Only 4% of the businesses surveyed said they were not satisfied and planned to move. See Chart 31.

Adequate Land for Expansion

CHART 32

Six of out ten businesses (60%) believe they have enough land at their existing location for expansion. Businesses are split between those who think there is substantial space (30%) and those who think

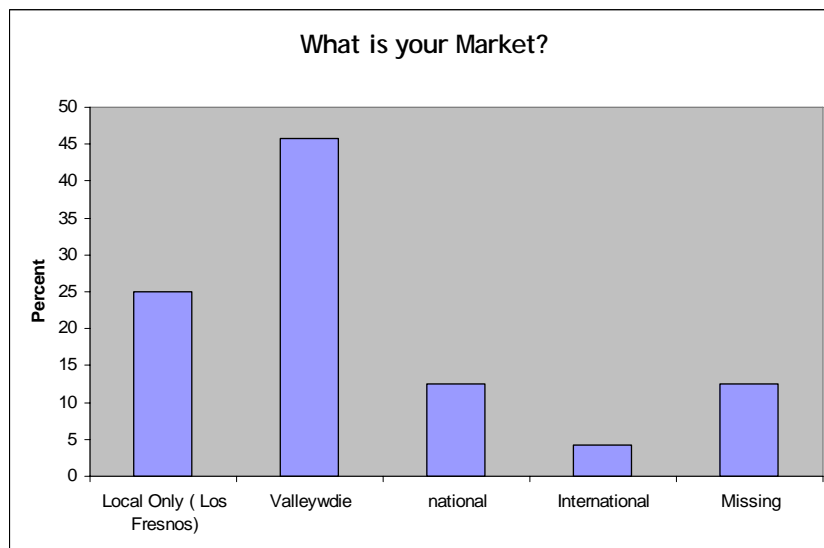


there is some space for expansion (30%). While not as high as the number of businesses who believe their existing location has land for expansion, nearly 40% of the business said there is no space for expansion. See Chart 32.

Market Area

CHART 33

Close of half of the businesses surveyed (46%) said they sell to residents throughout the Valley. This was followed by one quarter of the businesses that said their market was local or Los Fresnos only. Twelve percent said their

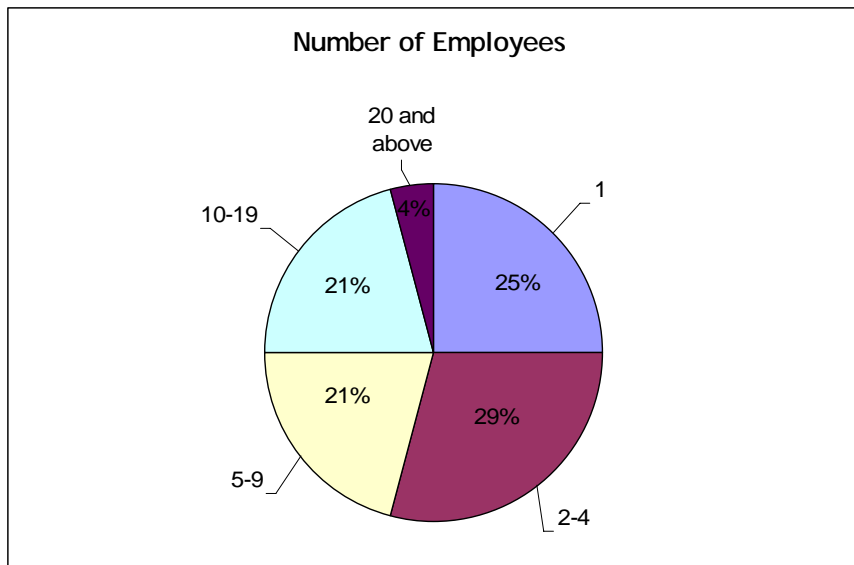


market was national and 4% said their market was international. See Chart 33.

Total Employees

Small businesses with less than 10 employees represented the majority of businesses (75%) that responded to the survey. Twenty-five percent of the businesses that responded have 10 or more employees. See Chart 34.

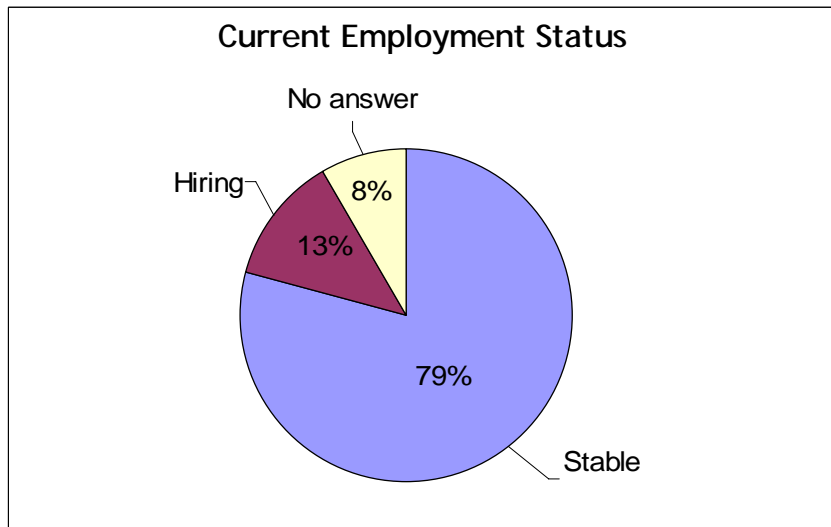
CHART 34



Employment Status

Most of the businesses that responded said their current employment status was stable (79%). A few businesses said they were hiring (13%). No businesses said they were laying off employees. See Chart 35.

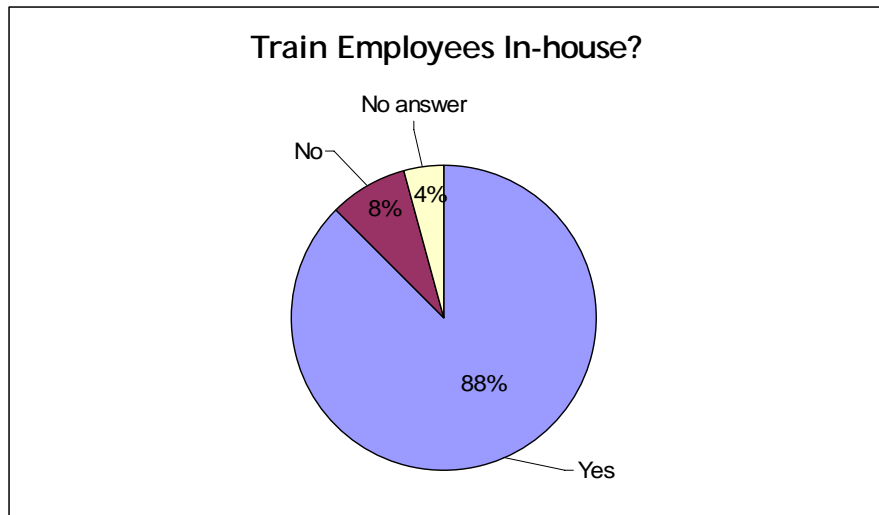
CHART 35



Train Employee In-House

Almost all the business surveyed (88%) said they do their own training. Eight percent of the businesses surveyed did not provide any in-house training for their employees. See Chart 36.

CHART 36



Training Needs

The businesses that responded to the survey said they needed to train all different skills types of employees. Semi-skilled (21%) and unskilled (21%) training was the greatest need, followed by clerical training (17%), professional management (13%), and skilled employee training (8%). See Chart 37.

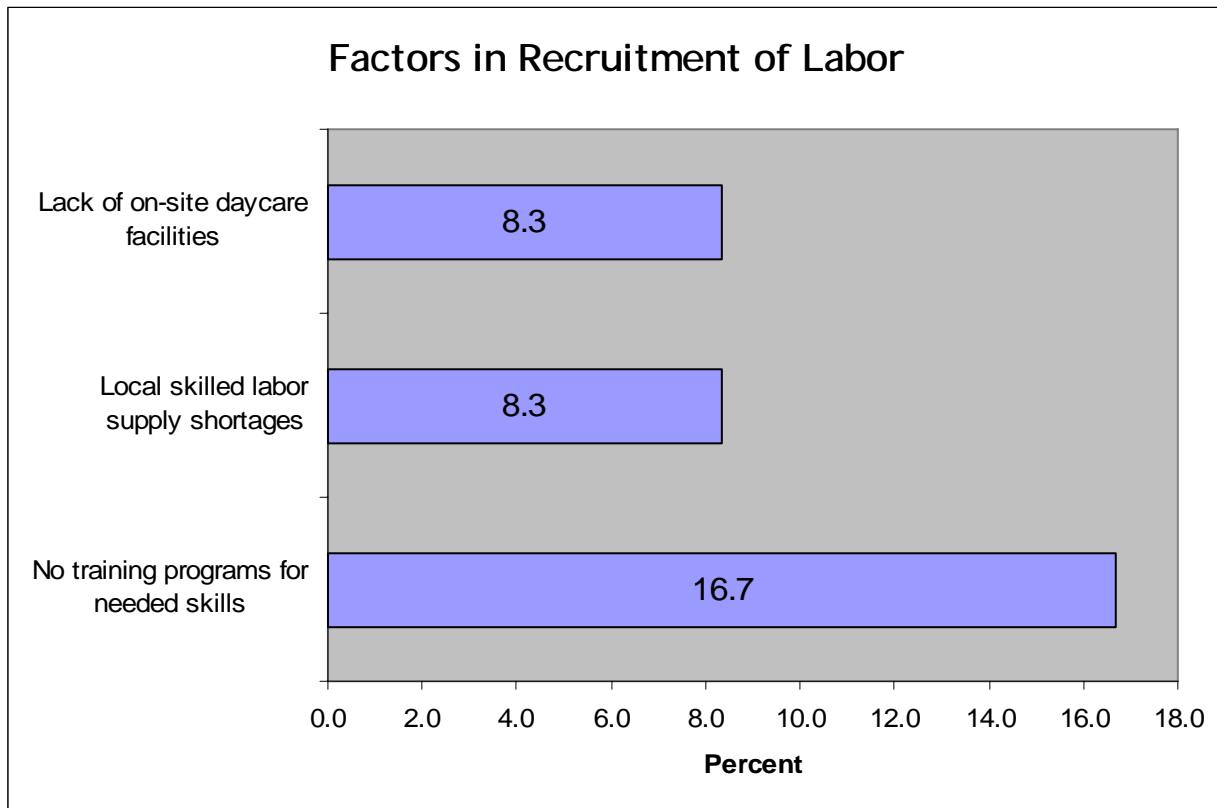
CHART 37



Recruitment Factors

Businesses surveyed said a lack of training programs for needed skills (16.7%) was the biggest factor that contributed substantially to problems in the recruitment of labor. Lack of on-site day care facilities (8.3%) and local skilled labor supply shortages (8.3%) were also reasons cited by businesses as hindering the recruitment of labor in the community. See Chart 38.

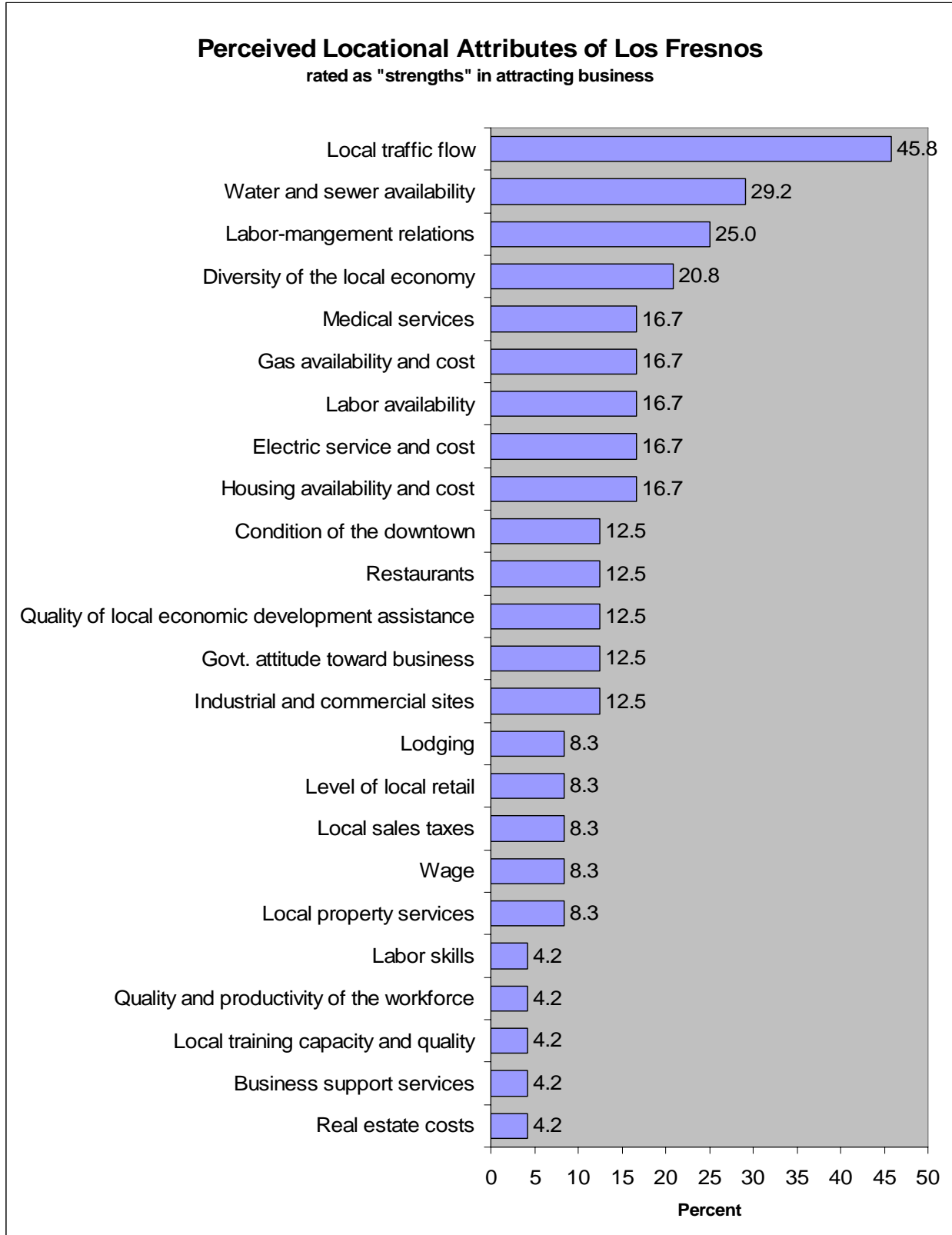
CHART 38



Business Strengths

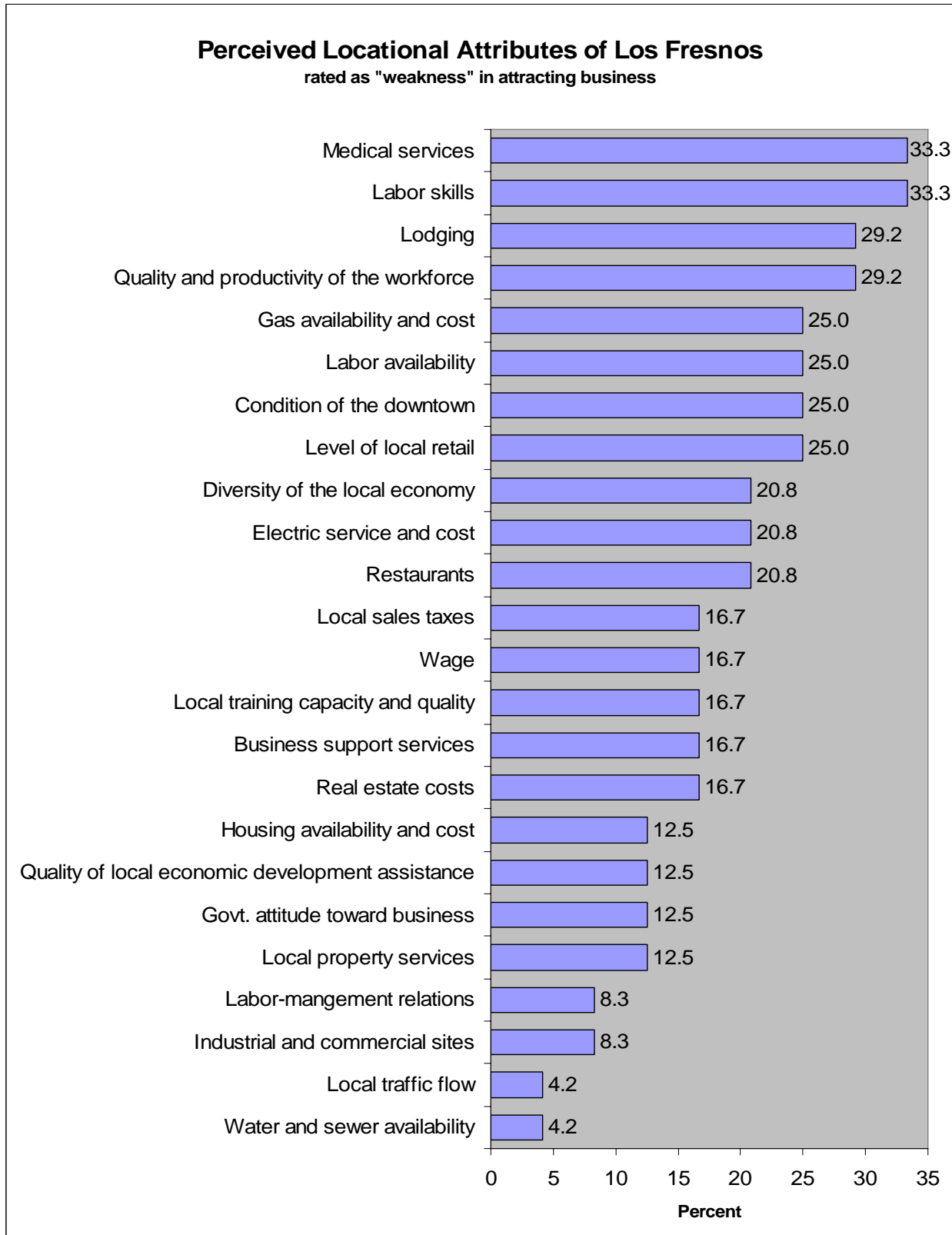
Several strengths were mentioned by businesses when asked to rate the various factors that contribute to attraction of businesses to the area. Location was cited by almost half of the businesses surveyed (46%) as the number one strength. Water and sewer availability (29%), labor-management relations (25%), and diversity of the local economy (21%) were also mentioned as community strengths in attracting businesses to the area. See Chart 39.

CHART 39



The lack of medical services (33%) and skills of the labor force (33%) tied as the top weaknesses mentioned by businesses when it comes to attracting businesses to the community. Quality and productivity of the workforce (29), availability of lodging (29%), condition of downtown (25%), level of local retail (25%), labor availability (25%), and gas availability and cost (25%) were other weaknesses cited by the businesses surveyed when it comes to attracting business/industry. See Chart 40.

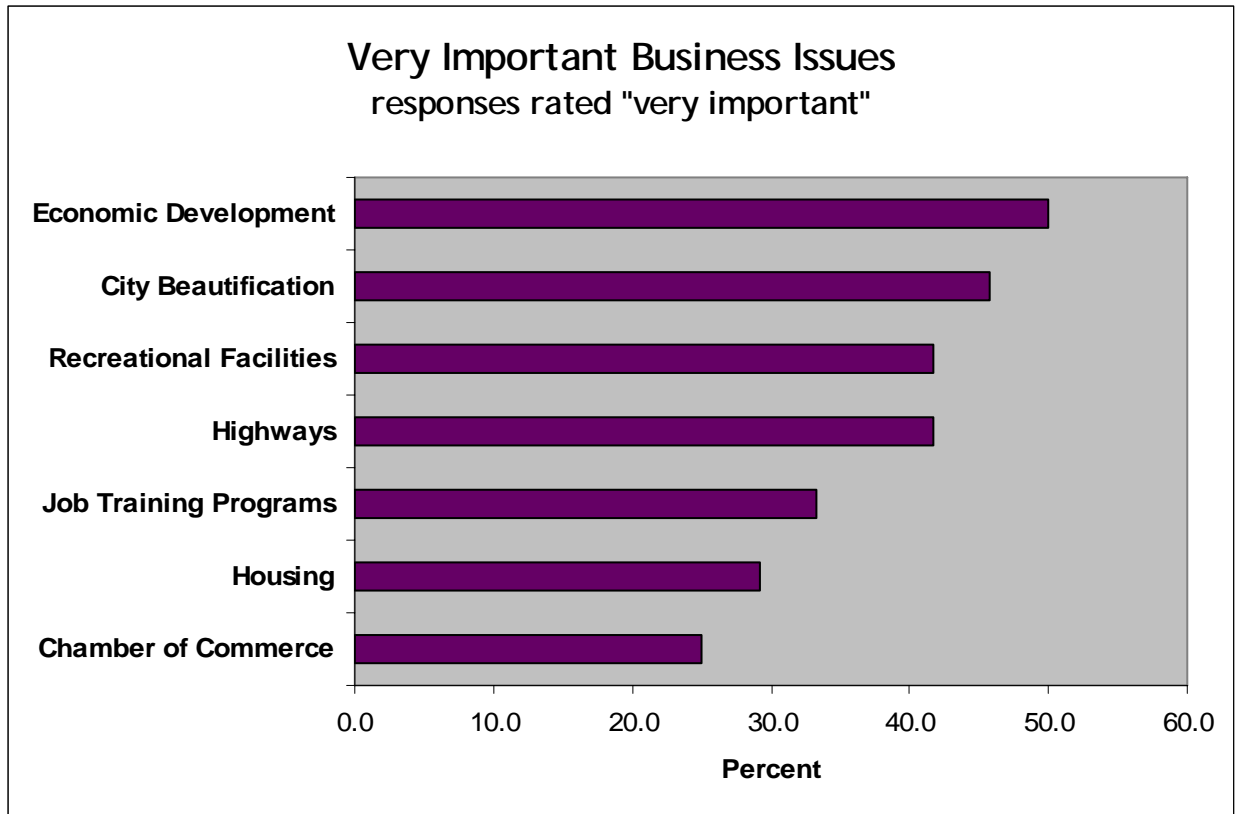
CHART 40



Important Businesses Issues

Economic development (50.0%), city beautification (45.8%), recreational facilities (41.7%) and highways (41.7%) were rated "very important" business issues by the businesses surveyed. See Chart 41.

CHART 41



Improve Business Situation

Businesses gave many different responses when asked "What are the most important steps the community should take to improve the local business situation?". See Table 9.

TABLE 9

Attract larger businesses.	Provide higher paying jobs.
Community cooperation to solve issues.	Improve alleys and streets.
Enforce weed and clean at businesses.	Attract more types of businesses.
Develop more tourist attractions to take advantage of location.	Buy at local businesses.
Provide tax breaks for new businesses.	Diversify the economy.
Create more jobs.	Work as a community to attract industry.
Attract more retail stores.	Develop shopping center.
Give less tickets on Highway 100.	Develop stronger Chamber of Commerce.
Better supermarket.	Need park with basketball and tennis courts.
More chain restaurants, i.e., Pizza Hut, Whataburger.	Bigger post office.
More business support services.	

LOS FRESNOS COMMUNITY QUESTIONNAIRE (2006)

	Very High	High	Neutral	Low	Very Low
1. How would you rate your overall quality of life in Los Fresnos?	1	2	3	4	5
2. How would you rate the overall quality of your neighborhood?	1	2	3	4	5
3. How would you rate Los Fresnos...					
A. As a place to work?	1	2	3	4	5
B. As a place to do business?	1	2	3	4	5
C. As a place to raise children?	1	2	3	4	5
D. As a place to live?	1	2	3	4	5

4. Please rate each of the following items in Los Fresnos as to its importance to the overall quality of life in Los Fresnos.

	Very Important	Fairly Important	Neutral	Not So Important	Not At All Important
A. Ease of pedestrian travel	1	2	3	4	5
B. Ease of travel by car	1	2	3	4	5
C. Parks in the city	1	2	3	4	5
D. PRCA Rodeo	1	2	3	4	5
E. Little Graceland	1	2	3	4	5
F. Proximity to South Padre Island	1	2	3	4	5
G. Proximity to Harlingen Airport	1	2	3	4	5
H. Proximity to Brownsville Airport	1	2	3	4	5

5. Please circle the number that best represents the quality and availability of the following in Los Fresnos :

A. QUALITY OF SERVICES

	Great	Satisfactory	Poor	No Opinion		1	2	3	4
a. Local government	1	2	3	4	b. Medicine	1	2	3	4
b. Police Department	1	2	3	4	c. Hardware	1	2	3	4
c. Fire Department	1	2	3	4	d. Grocery stores	1	2	3	4
d. Ambulance Services	1	2	3	4	e. Lumber	1	2	3	4
e. Water	1	2	3	4	f. Auto parts	1	2	3	4
f. Sewer	1	2	3	4	g. Furniture	1	2	3	4
g. Garbage Collection	1	2	3	4	h. Electronics	1	2	3	4
h. Electricity	1	2	3	4	i. Technology	1	2	3	4
i. Cable	1	2	3	4	j. Restaurants	1	2	3	4
j. Telecommunications	1	2	3	4	k. Doctors	1	2	3	4
k. School system	1	2	3	4	l. Dentists	1	2	3	4
l. Library	1	2	3	4	m. Lawyers	1	2	3	4
m. Health care	1	2	3	4	n. Accountants	1	2	3	4
n. Streets maintenance	1	2	3	4	o. Plumbers	1	2	3	4
o. Sidewalks maintenance	1	2	3	4	p. Electricians	1	2	3	4
p. Maintenance of Alleys	1	2	3	4	q. Builders	1	2	3	4
q. Other code enforcement					r. Mechanics	1	2	3	4
i. Weeds	1	2	3	4	s. Banking, etc	1	2	3	4
ii. Vacant lots	1	2	3	4	t. Computer repair	1	2	3	4
iii. Animal control	1	2	3	4					
r. Recreation facilities	1	2	3	4					
s. Cultural life	1	2	3	4					
t. Commerce/business life	1	2	3	4					

B. AVAILABILITY OF GOODS AND SERVICES

	Great	Satisfactory	Poor	No Opinion
a. Clothing	1	2	3	4

LOS FRESNOS COMMUNITY QUESTIONNAIRE (2006)

C. ATTITUDES AND COOPERATIVE EFFORTS

	Great	Satisfactory	Poor	No Opinion
a. Residents' attitude to new development	1	2	3	4
b. Community cooperation with business	1	2	3	4

D. CONDITION, AVAILABILITY AND COST OF HOUSING

Do you think there are enough suitable:	Yes	No
a. Homes for sale in the community?	1	2
b. Homes for rent?	1	2
c. Apartments for rent?	1	2
d. Housing units for the elderly?	1	2
e. Homes for low-income families?	1	2

6. Would you recommend moving to Los Fresnos to others? 1 2

7. What three things do you like MOST about living in Los Fresnos?

1. _____
2. _____
3. _____

8. What three things would you like to change to make Los Fresnos a better place to live?

1. _____
2. _____
3. _____

9. What businesses does Los Fresnos need?

- | | | |
|---|--|---|
| <input type="checkbox"/> Electronic Stores | <input type="checkbox"/> Outlet Stores | <input type="checkbox"/> Automotive Stores |
| <input type="checkbox"/> Bookstores | <input type="checkbox"/> Restaurants | <input type="checkbox"/> Merchandise/Retail |
| <input type="checkbox"/> Printing/Copy Center | <input type="checkbox"/> Coffee Shops | <input type="checkbox"/> Others: _____ |
| <input type="checkbox"/> Clothing Stores | <input type="checkbox"/> Convenience stores/gas stations | _____ |

10. Please indicate whether you agree or disagree with the following statements.

Los Fresnos should...	Strongly disagree..... Strongly agree				
A. Actively seek to retain existing businesses	1	2	3	4	5
B. Vigorously promote the strengths and attractiveness of doing business in the city	1	2	3	4	5
C. Encourage the growth of existing industries through incentives	1	2	3	4	5
D. Recruit additional industries consistent with the quality of life in the city	1	2	3	4	5
E. Emphasize recruiting small and medium companies over larger ones	1	2	3	4	5
F. Concentrate on workforce development and building a skilled labor force	1	2	3	4	5
G. Attract high-wage jobs, even if it means fewer jobs are created	1	2	3	4	5
H. Attract many jobs, even if they are primarily low-wage paying jobs	1	2	3	4	5

11. Are you in favor of growth in your community or would you prefer to stay much the way it is currently?

12. What should the community do to create more job opportunities?

13. If employed, do you work in Los Fresnos? Yes No _____ Not employed
(Please Indicate City)

14. Which age category do you belong to?

0-20 yrs 21-30 yrs 31-40 yrs 41-50 yrs 51-60 yrs 61 yrs +

15. Are you Male Female

LOS FRESNOS COMMUNITY QUESTIONNAIRE (2006)

16. How many member(s) are there in your household? 1 2-4 5-7 8-10 11 +
17. Please indicate below the range of your annual household income. (Note: if there is more than one member earning income, please combine all earnings.)
- | | | | |
|---|--|--|--|
| <input type="checkbox"/> \$10,000 and Below | <input type="checkbox"/> \$10,001-\$20,000 | <input type="checkbox"/> \$20,001-\$35,000 | <input type="checkbox"/> \$35,001-\$50,000 |
| <input type="checkbox"/> \$50,001-\$65,000 | <input type="checkbox"/> \$65,001-\$75,000 | <input type="checkbox"/> \$75,000-\$85,000 | <input type="checkbox"/> \$85,001 and Over |

Thank you very much for taking the time to answer these questions.
Information collected from this survey will be used to determine priorities in economic development for the community.

LOS FRESNOS BUSINESS/INDUSTRY QUESTIONNAIRE

Dear Business Owner:

On behalf of the City of Los Fresnos and the Los Fresnos Community Development Corporation, we are conducting a community assessment that will determine where Los Fresnos is today and help guide orderly growth and provide direction for the City. Existing businesses and industry is of utmost importance to the city's future growth and welfare. Please help us assess the climate for industry in the City of Los Fresnos. Your answers will be kept confidential and will be used to help shape future development in the community.

Thank you for your assistance.

For the following questions, please fill in the blank or circle the letter with the response that best answers the question.

1. Industry Type: _____ NAICS Code (if known): _____
2. Number of years in business: _____ years.
3. At present location: _____ years.
4. Does your business own or lease the space in which it was located?
 - a. Own
 - b. Lease
 - c. Lease but would like to own
5. How satisfied are you with the present location of your business?
 - a. Very Satisfied
 - b. Satisfied
 - c. Neutral
 - d. Unsatisfied
 - e. Very Unsatisfied
 - f. Plan to moveWhy? _____
6. Is the land adequate for expansion?
 - a. Yes, there is substantial expansion space
 - b. There is some space for expansion
 - c. There is no space for expansion
7. What is your market?
 - a. Local only (Los Fresnos)
 - b. Valleywide
 - c. Regional (part of Texas)
 - d. State
 - e. National
 - f. International
8. Total number of employees: _____ Male: _____ Female: _____
9. Current employment status (choose one) ___ Stable ___ Hiring ___ Laying off
10. What is the estimated categorical makeup of your workforce?
 - a. Skilled : ___%
 - b. Semi-Skilled: ___%
 - c. Clerical : ___%
 - d. Management: ___%
 - e. Sales : ___%
 - f. Production: ___%
 - g. Service : ___%
 - h. Other : ___%
11. Do you train your employees in-house? ___ Yes ___ No
12. Are you interested in being contacted to see how UTPA can help customize your individual training needs?
___ No, thank you
___ Yes (If yes, please fill out the optional contact information on the next page and a training representative will contact you)
13. In which of the following categories do you anticipate the need to train people at your facility? (Circle all that apply)
 - a. Skilled
 - b. Semi-Skilled
 - c. Unskilled
 - d. Clerical
 - e. Professional Management

LOS FRESNOS BUSINESS/INDUSTRY QUESTIONNAIRE

14. What factors contribute substantially to problems in recruitment of labor? (Circle all that apply) ✓

- a. Local training programs for needed skills unavailable
- b. Local skilled labor supply shortages
- c. Lack of daycare facilities for dependent children on site
- d. Others (please specify): _____

15. From a business viewpoint, how would you rate the following locational attributes of Los Fresnos? Place a checkmark () in the column that best reflects your opinion. Rate each item listed as a strength, average, or a weakness for the community. Please answer every item, even if you are not very familiar with it, responding based on your perception of it.

	Locational Attribute	Strength	Average	Weakness	No Opinion
1	Labor availability				
2	Labor skills and education				
3	Quality and productivity of the workforce				
4	Wage				
5	Labor-management relations				
6	Diversity of the local economy				
7	Local traffic flow				
8	Electric service and cost				
9	Gas availability and cost				
10	Water and sewer availability				
11	Industrial and commercial sites				
12	Real estate costs				
13	Business support services				
14	Local property taxes				
15	Local sales taxes				
16	Local training capacity and quality				
17	Housing availability and cost				
18	Medical services				
19	Lodging				
20	Restaurants				
21	Level of local retail				
22	Government attitude toward business				
23	Quality of local economic development professional assistance				
24	Condition of the downtown				

16. Please rate the importance of the following business issues in Los Fresnos.

	Not At All Important	Not So Important	Neutral	Fairly Important	Very Important
a. Chamber of Commerce	1	2	3	4	5
b. City beautification	1	2	3	4	5
c. Economic Development	1	2	3	4	5
d. Highways	1	2	3	4	5
e. Housing	1	2	3	4	5
f. Job Training Programs	1	2	3	4	5
g. Recreational Facilities	1	2	3	4	5
h. Other (please specify):	1	2	3	4	5

LOS FRESNOS BUSINESS/INDUSTRY QUESTIONNAIRE

17. What are the five most important steps the community should take to improve the local business situation?

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

Thank you very much for taking the time to answer these questions.

Information collected from this survey will be used to determine priorities in economic development for the community.

Contact Information (optional)

Name (Owner): _____ Business Name: _____

Phone Number: _____ Fax Number: _____ Email: _____

Training Needs: _____

