

**Marketing, business pros: Census numbers pros, cons for Nueces County**

By Mark Collette

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CORPUS CHRISTI — Although Nueces County lags behind the state and nation in key indicators released last week by the U.S. Census Bureau, economists, market researchers and retail industry analysts caution against drawing sweeping conclusions about the data.

Nueces County has a lower median household income than Texas and the nation, and the county population grew slower, up just 1.9 percent compared with 14.2 percent statewide and 7.1 percent nationwide. These numbers hold mixed messages, analysts said.

“The fact that household income hasn’t risen might be a factor for a retail establishment, but keeping housing values low is an attraction for businesses that want to come into an area,” said Charlie Savino, vice president of Houston-based CDS Market Research.

Nueces County’s median home value of $96,600 is lower than the state average of $118,900 and lower than in Bexar, Dallas, Harris and Travis counties, according to the census data.

About two years ago, Savino’s firm conducted a market analysis of downtown Corpus Christi for city government.

“It’s a very attractive community, and it’s almost an enigma why the area hasn’t grown faster than it has, and I don’t think we can fully explain it,” he said.

Michael Niemira, chief econeconomist for the International Council of Shopping Centers, said lack of growth relative to the state as a whole could send up a red flag for retailers looking for robust markets.

“However, with all that said, it is possible that some type of retailer might still find the market useful based on drive time or draw from neighboring regions,” Niemira said in an e-mailed statement.

Savino said retailers and developers considering projects in Nueces County should keep in mind the census data is affected by recent watershed economic events, namely the April 30 closure of Naval Station Ingleside and the loss in 2009 of Whataburger’s corporate offices.

The county lost 4,135 civilian jobs in the Ingleside closure and 250 employees in Whataburger’s move to San Antonio.

“Those things are not trivial,” Savino said. “Closing those facilities really reduced consumer demand in the 2000 to 2009 period.”

Whataburger officials cited the potential effect of hurricanes and San Antonio’s advantages of more cost-efficient office space, ease of travel to the 10 states where Whataburger operates and larger job applicant pool.

Still, Savino said the city has strong underpinnings for economic development, including low costs for locating new businesses, bay and Gulf access, and the early stages of planning bayfront redevelopment. Two major commercial projects, an outlet mall in Robstown and an outdoor mall on the Westside, have been on hold because retailers haven’t been able to sign leases in the current economy, developers said.

But there have been retail successes in the past year, including the June opening of P.F. Chang’s China Bistro at La Palmera mall, and some new higher end stores inside the mall such as beauty retailer Ulta.

Matt Cravey, a Corpus Christi commercial real estate broker who represents landowners in the Robstown and Westside mall deals, said there are enough consumers to support those projects, but the problem is financing.

“We’re still an industrial city, and thank God we are, because that’s what’s bringing us out of this: the refineries, the port, the oil fields and manufacturing,” Cravey said. He views the area has having opportunities for businesses to make money, if not on the scale some would like.

“We don’t have enough high-end people living in this city to maybe justify a Neiman Marcus store, so what do we see? We already see stores that cater to the middle — and lower — income people,” he said.

Walmart announced two new stores will open in Corpus Christi in 2011.

In addition to population growth and income, Corpus Christi also trails the state and nation in the number of people with post-high school education. All three are key indicators for prospective restaurant locations, said Annika Stensson, spokeswoman for the National Restaurant Association.

“The more money people have in their wallets, the more they tend to spend in restaurants,” she said. “However, there are many factors involved when deciding to open a restaurant or selecting a location, so these statistics would not necessarily deter potential restaurateurs.”



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