

# Communications and Public Affairs

## PRESS RELEASE

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### *City Looks to Court Retirees*

*Study outlines four-year program designed by national research firm*

**El Paso, Texas – Jan. 8, 2008** – Today, City Council received a report from a national research firm detailing a plan to draw more retirees to El Paso in the coming years.

The report, prepared by ProMatura Group, LLC, states the El Paso region has all the ingredients to attract an this environmentally-clean, economically-advantageous industry. “The Plan to Attract Retirees and Future Retirees to the Paso del Notre Region,” outlines and details the advantages of attracting retirees and the program to get retirees to move to this area.

“El Paso already has many qualities that retirees are looking for, but we haven’t put ourselves out there to let them know about us,” said Kathryn Dodson, Economic Development Director. “We have an abundance of natural, cultural, educational and recreational attributes, in addition to extremely favorable cost of living, that are likely to attract retirees.”

Texas is the #2 Retiree Destination State in the United States, but the Paso del Notre region has not enjoyed the influx of retirees that has been apparent in other areas of

Texas, New Mexico and Arizona. A four-year “start up” program is outlined in the report that calls for a full-time director and a part-time staff person to work with volunteers. The plan projects a realistic goal of bringing approximately 575 retiree households within the first 4-year period and the program should continue to attract more than 400 households per year.

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# The Plan to Attract Retirees and Future Retirees to the Paso del Norte Region

# The Paso del Norte Region

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- ❖ has not enjoyed the influx of retirees that has been apparent in other areas of Texas, New Mexico and Arizona.
- ❖ has an abundance of natural, cultural, educational and recreational attributes, in addition to the extremely favorable cost of living, that are likely to attract retirees.
- ❖ is somewhat rough around the edges, lacks attractive streetscapes and suffers from the perception that it is a dusty border town.
- ❖ has significant competition in the southwest and other areas that are attractive destinations for retirees, have affordable housing, and have decades of a head start in attracting retirees to their regions.

# The Benefits of Attracting Retirees

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- ❖ Retirees are an attractive economic development strategy because they bring transfer income to the community. Each household is equivalent to 3.1 manufacturing jobs in its economic impact and the retiree households put comparatively little strain on the community resources and infrastructure particularly when contrasted to younger households with children.
- ❖ Many retirees contribute thousands of volunteer hours to their adopted communities and they spend their transfer income on goods and services in the community.

# Target Market Sectors for the Retiree Attraction Program

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- ❖ Retiree households in the market area;
- ❖ Military retirees and veterans -- there are 48,266 military veterans in the Paso del Norte region who are 45+ years of age. (Note: there are more than 78,000 military veterans in the region. That number includes veterans who are younger than 45 years of age.)
- ❖ UTEP alumni -- there are 22,879 UTEP alumni, not necessarily living in the area, estimated to be between the ages of 50 and 74 years.
- ❖ Travelers to the region – there are more than 30,000 visits to the region each year.

## Demand Estimates for Age-Qualified Active Adult Housing

- ❖ Estimated demand for active adult housing among El Pasoans is 486 households in 2007 (if marketed), increasing to 583 households in 2011. These people will move to a new residence in a given year and likely to move to an active adult community.
- ❖ Estimated demand for a “destination” active adult community that attracts households from both within and **beyond** the market area is a demand for 524 homes in 2007 and for 645 homes in 2011. This is in addition to the demand cited above.
- ❖ There are probably 531 households, 55 to 79 years of age in the region, who will move to a different residence in an all-age community and there are 417 households (55 to 79 years of age with \$50,000+ annual income) who may move to an all-age destination resort community each year.
- ❖ At present there is one single property with an active adult section (Sonoma Ranch) in the Paso del Norte region.

# Conclusions

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- ❖ The demand within the Paso del Norte area is sufficient to support development of active adult communities.
- ❖ The Retiree Attraction Program should augment the demand and should increase the opportunity for developers over time.
- ❖ The retired military and veterans populations and potential opportunities for development of a military-focused retirement community on or near the base should be very attractive to developers.

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***Texas is the #2  
Retiree Destination  
State in the US***

# Why Retirees are Targeted

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Retirees with middle incomes or higher are targeted in the retiree attraction program because they offer the greatest opportunity for economic growth, and increase in retail and property tax base. These households typically own at least one home and have some form of retirement income that may be supplemented by part-time employment and social security (for those who are 62+ years of age).

Specific benefits realized by communities that target 50+ households include:

- ❖ Increase in retail and property tax base
- ❖ Increase in taxpayers with little drain on community services
- ❖ Increase in bank deposits
- ❖ Increase in retail sales
- ❖ Increase in local expertise
- ❖ Increase in volunteers and contributors in churches and local service organizations
- ❖ Increase in tourism
- ❖ Increase in households who can afford to pay for their healthcare

# SWOT Analysis: Strengths

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- ❖ **Climate**
  - Temperate
  - Low humidity
- ❖ **Cost of Living**
  - Low cost of housing
  - Variety of entertainment at affordable prices
  - Quality food & dining options at reasonable prices
  - Medications available at significantly lower prices than in the US
- ❖ **Proximity to Mexico**
  - Access to another culture
  - Access to low cost medications
- ❖ **Low Crime**
- ❖ **Mountains and Mountain Views**
- ❖ **Recreation Opportunities**
  - Hiking in Franklin Mountains
  - Horse races at Sunland Park
- ❖ **Culture is a Blend of Hispanic and Old West**
- ❖ **Expansion of Military Presence At Ft. Bliss**
  - Increase in high tech sector jobs
  - Increase in economy
  - Increase households who will call El Paso area home at least for a period of time
- ❖ **Availability of Fresh Water and Management of the Fresh Water Supply**
- ❖ **Availability of Domestic Assistance at Reasonable Rates**
- ❖ **Universities and Colleges**

# SWOT Analysis: Weaknesses

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## ❖ Perceptions of the Region

- People within the region have accepted the status quo and may believe that the area cannot be improved.
- People outside the region know little about El Paso and have formed opinions based on it being a border town.

## ❖ Border Town and Proximity to Mexico

## ❖ Lack of Knowledge About El Paso

- El Paso and the other areas of the region are isolated and relatively forgotten by the rest of the state.

## ❖ Quality of Neighborhoods in Some Areas

- Many neighborhoods particularly in the northeastern area have lower quality homes, lack amenities and have little if any green areas. They have a ghetto-like appearance. Even areas in designated historic districts do not have attractive streetscapes.
- Many streetscapes throughout the area lack aesthetic appeal in that businesses and/or homes may have a rundown, ill-kempt appearance. These may be next door to a nice home, adjacent to UTEP or in or near historical, central and/or the suburban areas of the city.

## ❖ Expansion of Military Presence at Ft. Bliss

- Construction worker shortage.
- Focus on entertainment for young families.

## ❖ Air Quality in El Paso

- El Paso is classified as a non-attainment area, because El Paso fails to meet the Environmental Protection Agency's (EPA) Air Quality Standards for one pollutant: Particulate Matter.

## ❖ Employment Opportunities for Individuals with Higher Education are Limited.

## ❖ Employers Typically Pay Less in El Paso Than in Other Areas

# SWOT Analysis: Opportunities

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- ❖ **El Paso Downtown Revitalization Plan**
- ❖ **Collaboration among government, civic, business and military entities**
- ❖ **New Medical School**
- ❖ **Expansion of Ft. Bliss**
- ❖ **Old Beaumont Hospital site** – this site is a perfect size, has significant views of the mountains and is a perfect location for a military retirement community. Given the significant number of veterans and military retirees in the region – this is an opportunity that should be exploited immediately.
- ❖ **Military Retirees and Veterans**
- ❖ **UTEP Alumni**

# SWOT Analysis: Threats

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- ❖ **Coming out of the shoot too soon** – the region needs to develop its “product” and put its program together carefully before launching into marketing. It is the experience that people have when they arrive that dictates whether or not they will move.
- ❖ **Not implementing the plan**
- ❖ **Backlash of illegal immigrant controversy**
- ❖ **Threats from other retirement destination locations** (the competition) - Markets that have developed retirement destination active adult communities will have a built-in, word-of-mouth migration stream developed that will be challenging.

# Target Markets

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Four markets have been identified as key target markets for the initiation of the Paso del Norte Region Retiree attraction Program. These markets are targeted because all have a connection to El Paso.

1. **Households in the market area.** The goal is to keep these households in the market area and not to lose them to other retirement destination areas.
2. **Military retirees and veterans.** Thousands of retired military personnel and veterans have spent time at Fort Bliss in the Paso del Norte region. There are 48,266 military veterans in the Paso del Norte region who are 45+ years of age.
3. **UTEP Alumni.** It is estimated there are 22,879 UTEP alumni between the ages of 50 and 74 years of age.
4. **Travelers to the region.**

The following pages provide details about these housing market sectors.

# Demand Among 55 to 79 Year Age Group Households in Active Adult Communities and All-Age Housing 2007

It is estimated there is annual total demand for 486 homes in active adult communities among all households headed by someone 55 to 79 years of age with an annual household income of \$50,000 or more in the region and 931 homes among the target market sector for homes in all-age (conventional neighborhoods).

It is estimated that 46 percent of households in El Paso County between 55 and 79 years of age with \$50,000 annual household income are Hispanic (2006 US Census Data). Applying this estimate to demand estimates for active adult housing in El Paso County (356) yields approximately 164 of the households who may be Hispanic.

Historically active adult housing and other forms of age-qualified housing have been occupied almost exclusively by non-Hispanic Caucasians. Some have suggested that the cultural differences among Hispanic and non-Hispanic households may result in a different rate of adoption of age-qualified housing. We do not know if this is true. But it is wise to err on the side of caution until data are available to document the rate of adoption of age-qualified housing by Hispanic households is available.

**Annual Demand for Age-Qualified Active Adult and All-Age Housing in El Paso from Multiple Locations  
Among Those 55 to 79 \$50,000+ Income in 2007**

Line	A	B	C	D	E	F	G	H
Area	Qualified Households	Number of Homeowners	Number of Movers <sup>1</sup>	Prefer Age-qualified housing <sup>2</sup>	Prefer Either Age-Qualified or Non-Age-Qualified <sup>2</sup>	Prefer All-Age Housing	Percent who will Move Out of State, or Same County <sup>1</sup>	Total who may move to El Paso (Line D+E * Line G)
El Paso County, TX	24,596	23,660	1,272	211	498	563	50.2% (Same County)	356
Hudspeth County, TX	76	73	3	0	1	2	21.0% (Different County, Same State)	0
Reeves County, TX	271	261	14	3	5	6		2
Jeff Davis County, TX	152	146	8	0	3	5		1
Presidio County, TX	182	175	10	1	4	5		1
Dona Ana County, NM	8,168	7,859	422	69	165	188	28.8% (Out of State)	67
Otero County, NM	2,834	2,727	147	25	58	64		24
Chaves County, NM	2,285	2,199	117	20	46	51		19
Lea County, NM	2,045	1,968	105	17	41	47		16
<b>Total</b>	<b>40,609</b>	<b>39,068</b>	<b>2,098</b>	<b>346</b>	<b>821</b>	<b>931</b>		<b>486</b>

<sup>1</sup> Source: 2005 American Housing Survey, U.S. Census Bureau and the Department of Housing and Urban Development

<sup>2</sup> Source: 2006 ProMatura Housing Survey

**Special Note:** *These demand estimates are preliminary and should not to be used for the development or financing of age-qualified housing. These demand estimates represent a general overview and are not site specific.*

# Military Retirees and Veterans

The military has provided a significant number of retirees to the region. In 2007 there are 27,624 veterans or retirees between 45 and 64 years of age, 11,237 between 65 and 84 years of age and 2,800 who are 85+ years of age in the region. Of new retirees and veterans moving into the area, the numbers in the 45 to 84 year age groups will decline between now and 2012, while those in the 85+ age group will increase.

Ft. Bliss has acreage that would be ideal for a military retiree and veteran active adult and continuing care retirement community. A quality community would attract veterans from across the country. It is likely that a number of qualified and experienced developers would be interested in the opportunity to develop and manage this community. See the appendix at the end of this section for brief descriptions of other military-oriented retirement communities.

<b>Number of Veterans by Age and County in the Paso del Norte Region</b>						
<b>Source: Veterans Administration (<a href="http://www1.va.gov/vetdata/docs/Living_County_By_VISN.xls">http://www1.va.gov/vetdata/docs/Living_County_By_VISN.xls</a>)</b>						
<b>45 to 64</b>	Sept 30 2007	Sept 30 2008	Sept 30 2009	Sept 30 2010	Sept 30 2011	Sept 30 2012
Dona Ana	5,674	5,561	5,445	5,305	5,074	4,821
Otero	3,382	3,328	3,272	3,178	3,025	2,869
El Paso	18,568	18,184	17,794	17,272	16,409	15,655
<b>65 to 84</b>						
Dona Ana	4,338	4,228	4,119	4,045	4,074	4,111
Otero	2,248	2,215	2,115	2,124	2,109	2,103
El Paso	11,237	10,843	10,561	10,371	10,600	10,826
<b>85+</b>						
Dona Ana	520	550	578	603	628	647
Otero	268	287	307	325	341	355
El Paso	2,012	2,125	2,216	2,323	2,439	2,578
<b>TOTAL</b>	<b>48,266</b>	<b>47,320</b>	<b>46,412</b>	<b>45,546</b>	<b>44,700</b>	<b>43,903</b>

# UTEP Alumni

UTEP Alumni are likely to be a significant source for in-migration to the Paso del Norte region. Most of the former students will have lived in the region prior to and during their education at UTEP. Many are likely to have moved away from the region upon graduation because they were unable to find employment. These alumni are likely to have family in the area, are familiar with the region and are likely to be Hispanic. They will not need to be sold on the attributes of the Hispanic culture.

Richard Daniel, the new Assistant Vice President for Alumni Relations will lead the department responsible for keeping the 78,000+ alumni connected to UTEP. Mr. Daniel will be pleased to be part of the Retiree Attraction Program and should be a key source in helping to create relationships and recruit UTEP alumni to return to the area.

Source: Data provided by Mr. Richard Daniel

<b>Number of UTEP Alumni by Class Year, Estimated Year of Birth and Age</b>			
<b>(Assumes Students were 22 Years of Age at Graduation)</b>			
<b>Class Year</b>	<b>Estimated Year Born</b>	<b>Estimated Age</b>	<b>Number</b>
1955	1933	74	217
1956	1934	73	284
1957	1935	72	303
1958	1936	71	351
1959	1937	70	313
1960	1938	69	331
1961	1939	68	339
1962	1940	67	403
1963	1941	66	506
1964	1942	65	612
1965	1943	64	797
1966	1944	63	776
1967	1945	62	729
1968	1946	61	927
1969	1947	60	1,135
1970	1948	59	1,331
1971	1949	58	1,979
1972	1950	57	1,578
1973	1951	56	1,506
1974	1952	55	1,602
1975	1953	54	1,424
1976	1954	53	1,443
1977	1955	52	1,515
1978	1956	51	1,483
1979	1957	50	1,607

## Tourism Creates Movers

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Tourism and retiree migration are symbiotic. If the volume of one increases so does the other.

The El Paso Convention and Visitors Bureau captured data from 20,590 visitors to El Paso in the 12 month period between September 1, 2006 and August 31, 2007. More than half of the visitors (11,907) are from Texas. Four of the other top 10 states contributing the most visitors to El Paso are in the southern tier (CA, FL, OK and NM), three are from the northeast (NY, PA and OH) and one is in the Midwest (IL).

The Convention and Visitors Bureau handled 33,729 inquiries about El Paso in the 12 month time period. The fourth largest source for inquiries (3,019 leads) was from advertisements in the AARP magazine.

<b>Top Ten States for Inquiries About Tourism in El Paso</b>	
<b>Name of State</b>	<b>Number of Inquiries</b>
Texas	11,907
California	1,583
Florida	1,291
Illinois	1,011
New York	974
Oklahoma	843
Pennsylvania	839
Ohio	780
New Mexico	766
Louisiana	750

Source: El Paso Convention and Visitors Bureau

# Implementation Program to Attract Retirees

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- ❖ A four year “start up” retiree attraction program is outlined with a budget of roughly \$176,000 that should extend through approximately an 18 month period.
- ❖ The program calls for a full-time Director and a paid part-time staff person to manage volunteers.
- ❖ The program has a realistic goal of earning approximately 575 retiree households for the area within a four year period.
  - This estimate was developed assuming that an active adult community may or may not be developed within this time frame and that these retirees would be attracted to the region because of its inherent benefits.
  - **This is not existing demand, but rather demand captured from outside the market area because of the retiree attraction program.**
- ❖ The program could continue to attract 400+ households per year and should increase as friends tell friends to move to the region. Four hundred households at \$50,000 annual household income (a conservative estimate) is \$20,000,000 more funds being deposited and spent in the area each year.
- ❖ The retirees have not yet found the Paso del Norte region. It is unlikely that this region will compete successfully without fully implementing the retiree attraction program.
- ❖ Retirees are a clean, lucrative, economically sound investment that contribute much more than money to the community. The Paso del Norte Region will be rewarded many times over for your decision to develop this industry.

# Overview of the Implementation Plan

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## Parts of the Plan

The implementation plan has seven parts:

1. Measurable Objectives
2. Keys to Success
3. Committees
4. Marketing Plan
5. Prospect Package
6. The Paso del Norte Region Personal Touch Follow-Up Program
7. Travel Writer Program

# Objectives of the Implementation Plan – 2008 to 2011

Objective 1 - Program is funded.

Objective 2 - Director hired within three months.

Objective 3 - Program will be ready to launch within 12 months (by the Christmas/Sun Bowl 2008).

❖ Partnerships are formed with:

- UTEP Alumni Association
- Ft. Bliss
- Local Realtors
- Hotel/Motel & Restaurant Associations

❖ Production of new improved walking and driving tours

❖ Web-site

❖ Marketing

❖ Volunteer system

❖ Just/Been Club (Just arrived/Been here a while)

❖ Tracking program in place

❖ Hire part-time Director of Volunteers

❖ Identify “friendly” travel writers and initiate FAM tour for targeted travel writers

Objective 4 - 50 percent of the leads will be earned through referrals by year 3.

Objective 5 - 575 households will have moved to the Paso del Norte region as a direct result of the retiree attraction program by 2011.

Number of Visitors, Number and Percent Interested in Retirement Move, and Number and Percent Captured										
Year	Number of Visitors	Percent Interest	Number Interest	Percent Captured	Number Captured	Percent Referrals	Number Referrals	Percent Capture	Number Captured	Total
2008	Program in Development									
2009	30,000	5%	1,500	5%	75					75
2010	40,000	5%	2,000	5%	100					100
2011	40,000	10%	4,000	5%	200	50%	2,000	10%	200	400

# Keys to Success

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There is nothing prohibiting the Paso del Norte region from becoming a retirement destination. On the contrary, there are many reasons why this area should be successful. The success will be dependent, however, on funding and implementing the plan, reliability, follow-through, commitment and perseverance.

- 1. Identify and Constantly Monitor the Markets.** Primary and secondary target markets have been defined. The definitions and characteristics of the markets should be monitored constantly to ensure that the marketing messages and platforms appeal to the prospects most likely to move to the area.
- 2. Funding for the Program.** The program should be funded, generously. A shoestring budget will not have an impact and will not initiate the retirement migration stream that is desired. The region is behind much of the rest of Texas and the southwest in retirement attraction development. By focusing on the market sectors most likely to move to the area the initial streams can be developed. As we have seen with other areas that have become retiree magnets, little streams can almost become floods once they get started.
- 3. Get the Area Ready for the Retiree Business.** The region must get the product ready to be sold. There is much to be offered, but the manner in which it is offered must be done carefully so that visitors to the region appreciate the community. El Pasoans are friendly and the community has many attractions. Care must be taken to highlight attractions at the appropriate times so that visitors will find them open and have a positive experience.

# Keys to Success

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4. **Marshall the Talents of Volunteers.** Establish an active volunteer committee to meet and greet prospects. These people are critical to the success of the program and should be friendly, outgoing, interested in meeting people and having fun. Make responses by the volunteers to inquiries by prospective visitors personal, repetitive, fun and unique to the region. The prospects should leave with the opinion that they have never encountered a community that is friendlier or more open.
  
5. **Market the Region with Messages that Resonate with the Target Markets.** The region must be marketed well and in a manner consistent with the lifestyle preferences of the target market sectors. Market sectors will differ and marketing messages and images must be consistent with who they are and what they want. A military retiree may look for something different than the UTEP graduate, and the retiree without a specific affinity group in the region may be looking for an entirely different experience.
  
6. **Start With and Maintain Strong Tracking Programs.** Managing and tracking leads, visits, and sales will be critical. Information and feedback on the marketing messages, events, and their successes (or lack thereof) will be critical to ensure resources are used well and planning will be based on results.
  
7. **Your Core of Volunteers are Your Most Important Asset.** Establish a “Just/Been” club for those who have “Just Arrived” and those who have “Been Here” awhile that your volunteer staff, look forward to and enjoy. Newcomers are automatically members. The club will provide newcomers with an instant group of friends and plenty of places where they will be welcomed. The club will add to word of mouth attraction.

# Keys to Success

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- 8. Clean Up and Spruce Up El Paso.** El Paso's appearance and reputation need work. To be blunt: El Paso has few streetscapes that are attractive, many areas are ill-kempt and dirty, there are few parks and green spaces in neighborhoods, and many areas look tattered, plastic and neon. As an example, this ill-kempt appearance is evident in the areas immediately adjacent to the UTEP campus. Even though there is a small area of restaurants that are somewhat trendy looking, the area around this small enclave almost completely masks the nicer appearance. El Paso needs to invest in its streetscapes, and prepare and enforce reasonable ordinances.

Civic clubs should be asked to adopt areas of the community to create streetscapes, add landscaping (desert landscaping is fine), and to maintain the areas. Perhaps a community wide contest among and between civic clubs, neighborhoods and businesses could be initiated to pick up, fix up and spruce up their defined areas.

Perhaps a grant program can be established to assist neighborhoods create attractive streetscapes.

# Retiree Attraction Committee

**Retiree attraction requires a community commitment. Committee membership should come from the following areas:**

- ❖ Chambers of commerce
- ❖ Elected offices
- ❖ Health care industry
- ❖ Banks and financial institutions
- ❖ Local media
- ❖ Recreation and leisure services
- ❖ Retirees, with a mix of lifelong residents and in-migrant retirees
- ❖ Volunteer organizations
- ❖ Real estate
- ❖ Utility companies
- ❖ Economic development and research organizations
- ❖ Programs for seniors
- ❖ Restaurant, food, and hospitality services
- ❖ Local colleges and universities

# Marketing the Paso del Norte Region

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## Product

The product is the Paso del Norte region as a place to live. The product consists of housing in an active adult community development or in a traditional neighborhood. A slightly greater proportion will prefer to live in an all-age neighborhood as opposed to an active adult community.

## Price

The price is the total value proposition of living in the Paso del Norte region. It is the cost of housing, cost of living, cost of traveling to and from their existing location (and/or children), cost of moving; and the cost or benefit of losing or gaining new friends and an exciting and vibrant lifestyle.

## Promotion

The promotional strategy will need to explicitly depict both the product and value of the Paso del Norte region. A significant part of the value of the Paso del Norte region will be the people, culture and fun that make this region what it is.

## Place

This is the distribution system that gets the buyer with the product in a mood to buy. The promotional materials will need to help bring the prospect to the Paso del Norte region and to the thought – “I could live in this wonderful place among these wonderful people.”

## Retiree Impact

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***The total of 575 retiree households will have the economic equivalent of 1,782 manufacturing jobs, and at a minimum should bring a minimum of \$28,750,000 transfer income to the area based on an average household income of \$50,000.***