

TEDC 2022 CEDA APPLICATION

All Applications Must Be Received by August 19, 2022

The 2022 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

AWARD CATEGORIES

The CEDA will be given to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying.

- Population less than 10,000 _____
- Population 10,001 to 20,000 _____
- Population 20,001 to 50,000 _____
- Population 50,001 to 100,000
- Population 100,001 to 250,000 _____
- Population 250,001 and above _____

NOMINATION:

Name of Community: City of Pharr / Pharr EDC

TEDC Member Name: Victor Perez (individual member, not organization)

Telephone #: 956-402-4332

Email Address: victor.perez@pharr-tx.gov

Community Population (as currently marketed): 78,689

Application Submitted By: Hollis Rutledge and Associates / Pharr EDC

Email Address: john.p.rutledgeassociates@gmail.com / victor.perez@pharr-tx.gov

Media Contacts: [optional]

Organization: _____ Contact Name: _____

Email Address: _____

Organization: _____ Contact Name: _____

Email Address: _____

SUBMITTED FOR:

Business Retention

Business Attraction

Business Expansion

Community Involvement

SUMMARY REVIEW

Please attach a brief description of the economic development efforts and accomplishments of the project or program (specific to the project or program for which you are submitting the application). Within this description, address the awards criteria of innovativeness, transferability, community commitment, measured objectives and secondary benefits. The narrative portion of the application is limited to four (4) conventionally formatted 8.5" x 11" pages. Please also submit up to five (5) digital photographs (jpeg) to amy@texasedc.org. The photos must be submitted with the application form. The photographs will be presented during the CEDA luncheon at the TEDC's 2022 Annual Conference.

TEDC 2022 Community Economic Development Award: TEAMPHARR.NET

While the COVID-19 pandemic had a profound, negative impact on the Rio Grande Valley's economy with new challenges affecting the region, whose economy largely relies on affected areas including tourism, manufacturing, and produce, it also clearly exemplified the issues caused by one of the problems which the region has contended with for some time: the digital divide. The gap between those with computer and internet access, and those without, the digital divide has long caused issues for those living in poverty or in rural areas.

Studies have shown a correlation between the digital divide and many social and financial issues, including educational outcomes and attainment¹ and decreased participation in the job market, or even a less competitive job economy². For example, students without household internet access might be unable to complete homework assigned to them which required online research; those looking for a job might find it difficult to access applications which must be completed online. These issues were exacerbated during the pandemic, when most schools and many jobs went remote, relying on the internet to keep students and workers connected with schools and employers. Furthermore, the advent of widespread telehealth medical appointments after COVID likely meant that many who needed to seek medical care during a pandemic were unable to do so, or had to face obstacles to access it, which likely contributed to poor health outcomes or a larger spread of the coronavirus in some cases.

While a lack of internet access is highly correlated with poverty by many sources, including the U.S. Department of Health and Human Services³, it more largely impacts many members of ethnic minorities; according to a national poll conducted in 2020 during the pandemic⁴, 37% of Latine Households had “either no broadband connectivity or connect[ed] only through their phone”. The city of Pharr, along with some other cities in the Rio Grande Valley area, has consistently ranked highly for cities with the worst rate of internet access per household in the nation; it was this which spurred Pharr leaders to create the TEAMPHARR.NET project initially in 2017. As a result of this, the city secured funding for a feasibility study and, later, a pilot program which connected 50 families in the community with broadband, internet. Based on the success of this pilot program, the city decided to address the problem directly, providing Pharr residents and businesses with high-speed broadband through the TEAMPHARR.NET project, providing a model for other similarly digitally disconnected cities to follow.

¹ Hampton, K. N., Lakdawala, L. K., & Nakasone, E. (2021, November). *How variation in internet access, digital skills, and media use are related to rural student outcomes: GPA, SAT, and educational aspirations*. Retrieved from https://childandfamilypolicy.duke.edu/wp-content/uploads/sites/2/2021/12/Lakdawala_Leah.pdf

² Bai, Yank. (2017, September). *The faster, the better? The impact of internet speed on employment*.

³ Swenson, Ghertner, U.S. Department of Health and Human Services. (2020). *People in Low-Income Households Have Less Access to Internet Services*. Office of the Assistant Secretary for Planning & Evaluation.

⁴ Barreto, Segura, (2020, April), *Latino Reactions and Impact of COVID19*, Latino Decisions

Through inside and outside sources of funding, Pharr embarked on the project, which has a total budget of \$37,060,000; essentially, the project consists of the installation of fiber optic cable throughout the city, in residential and business areas, which will be used to provide internet access. Subscriptions will be offered, with plans for households starting at \$25 per month and for businesses at \$100 per month, which may allow thousands of residents to access broadband internet who otherwise would not have been able to.

While Pharr is not the first city in the United States to offer municipal broadband access, this program is the first of its kind in the Rio Grande Valley, and its subscription prices and speed places it in a unique position to help lead the way in providing public solutions to narrow the economic gap caused by the digital divide; after the proven success of its pilot program, with students showing a marked increase in academic performance and families overall reaping benefits, Pharr's program is poised to inspire other cities in the Rio Grande Valley and work with them to craft similar solutions. Furthermore, as the program finds success, it should serve as a guidepost to other cities, based on Pharr's starting point as one of the most digitally disconnected cities in the entire nation and the amount of poverty households in the city face; 28.3% of Pharr residents live below the poverty line, according to the 2020 U.S. Census, and only 67.5% of residents aged 25 or higher have a high school diploma or its equivalent. As such,

This project's success will be easily measured: its primary goal is to significantly increase the number of households with broadband internet access within the city of Pharr; its success can be evaluated based, firstly, on the number of households and businesses who subscribe to broadband plans through the programs; as such data will be immediately and easily accessible, it will be simple for staff working on the project to assess it on an ongoing basis, and to make improvements or enhancements as necessary. Furthermore, the project will provide multiple benefits to the city; by improving educational attainment and stimulating employment and job growth, the city's residents and economy will benefit in the longer term; likewise, a robust economy and improved educational and socioeconomic statistics will attract others, both residents and businesses, to the city. While not all of the benefits from this project will be immediately tangible, it is a significant part of the city of Pharr's commitment to invest in its community, and as such will play a part in increasing the city's standing as the rest of the Rio Grande Valley continues to grow, with an increasingly diversified economy.

Massively expanding broadband access within the city of Pharr should, as stated, have an immediate impact on students in the city, who will benefit in their studies by more easily being able to complete homework and participate in online educational activities. It could also help ease the difficulties of attaining a higher education degree by allowing some to take classes online, such as those offered by local institutions South Texas College and the University of Texas—Rio Grande Valley. Furthermore, as connecting with other students and the larger community increasingly has an online component, particularly in the pandemic recovery era, both students and their families will be better able to take part in socialization with broadband access. Pharr residents will be better able to access information on community events, including public meetings, or to contribute their thoughts and comments on other projects which the city undertakes, which will in turn aid city leaders and committees in better tailoring plans to best aid the community.

Likewise, this project will have a beneficial effect on employment and business in the community. As previously stated, many individuals seeking employment will find it considerably easier with access to the internet due to the ongoing digitization of the application process; more people in Pharr will be able to work remotely, which may allow some with obligations at home, or with disabilities which make working outside the home difficult, to be able to maintain gainful employment, while others who may previously have had to move to find work in their fields may be able to remain in Pharr instead of moving to areas with larger economies such as Austin or Houston. By allowing Pharr businesses to subscribe to more affordable, high-speed plans as well, the city would help to attract businesses to Pharr as its economy and population continue to grow.

Recent, renewed interest in the Rio Grande Valley, spurred by SpaceX's plans to launch rockets in the future from the nearby city of Brownsville have caused some housing prices in the area to increase; the population in the larger McAllen-Edinburg-Mission metropolitan area, which includes Pharr, has continued to grow steadily over the last few decades, surpassing 860,000 in 2020⁵, and as more businesses move to the area, this rate of growth is likely to increase. As the area continues to grow, Pharr leaders are committed to improving the welfare of its residents and the opportunities for the city to achieve greater economic success by ensuring that Pharr is a welcoming place for businesses and corporations in which to operate, which will in turn continue to stimulate the city's economy.

While this project does face a financial gap to reach completion, significant work has already been achieved; following the initial planning phase, which included architectural and engineering design, installation of the cable and work on the project proceeded. To date, as of July 31, 2022, \$11,643,000 has already been invoiced out of the total budget; as far as network distribution and neighborhood build outs, the project is at approximately 31% of completion. While the original schedule for the project projected 13 months from the beginning of installation to project completion, a total of eight months of delays were incurred due to workforce disruption and supply chain issues as a result of the COVID-19 pandemic. In order to compensate for a part of these design and material delays, the TEAMPHARR.NET team is attempting to compress the construction schedule so as to be able to provide Pharr residents with internet access as quickly as possible. The last mile phase of the project, consisting of resident installations, which the team have shifted their attention to in July 2022, is projected to cost approximately \$11,633,000, for which there is currently a funding gap. This funding would be used to fund administrative services, as well as materials and labor necessary to complete the subscriber installation phase of. While the city continues to apply for funding from other grants, state, federal, and private, this grant is expected to considerably assist the project in addressing some of the expenses for this phase, which will help to complete the project.

Once the project is completed, the money which is charged to residents for the subscriptions, while affordable, will help to reduce the need for significant investment in the project's ongoing operations. Maintenance and administration of the project will be overseen by City of Pharr staff; any further funding needed for further enhancements or improvements to the

⁵ 2020 American Community Survey 5-Year Estimates

project will be applied for on an as-needed basis, based on ongoing assessment's of the project's success and performance.

The completion of this project will provide the city of Pharr with multiple benefits: by investing in its community in an effort to help to narrow the technological gap of the digital divide, the city of Pharr will stimulate its community's performance on both social and economic levels. Students' educational achievements will improve, with a related increase in overall educational levels of attainment; residents of Pharr will be more easily able to navigate the job market and participate in a more competitive economy; businesses will be attracted to the city in the long term, further stimulating the economy and increasing local job opportunities for residents. It will allow Pharr to keep pace with the other cities in this growing metropolitan area, moving forward with a rising economic tide for residents and businesses alike, allowing the city to flourish in the years to come.