

RGV Reef Project

Economic Impact Summary

In 2018 an [economic impact report](#) was developed detailing the expected economic benefit of the RGV Reef project to the lower Rio Grande Valley area. The initiative is projected to:

- Generate \$45.6 M of economic output
- Provide 537 jobs to RGV residents
- Accrue \$13.9 M in income to RGV residents
- Contribute a total of \$23.5 million to the region's economy
- Impact the following employers: sporting goods stores, food services and drinking places, lodging, miscellaneous retail, car rental, gas stations, general merchandise retail, health practitioners, wholesale trade, and real estate establishments
- Generate \$3.6 million in total tax revenue at the state and local level
- Generate \$1.3 million in total tax revenue at the federal level

What is RGV Reef?

RGV Reef is a 1650-acre man-made reef that is located 12 miles north of the South Padre Island jetties and within Texas' territorial waters. RGV Reef is the largest artificial reef off the Texas coast and contains the only industrial-scale nursery reef in the Gulf of Mexico. The diverse and complex reef substrate that has been created provides habitat for Red Snapper of all ages and sizes, in addition to habitat for hundreds of other species of fish, invertebrates, and turtles, such as the endangered Kemp's Ridley that frequent the reef. A multitude of additional economic benefits are outlined below. The RGV Reef project is led by [Friends of RGV Reef](#) and supported by countless partners that have made the project successful.

Report Objective

The primary objective of this study is to estimate the level of economic activity arising from construction of the RGV Reef Project. The expected change in economic activity estimated is from the change in fishing and scuba diving activities that are attributable to the RGV Reef Project. This report used expenditure data from the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation on saltwater fishing by resident and non-resident anglers. To complete an overall picture of artificial reefs related economic activity, resident diving expenditure information obtained from prior diving surveys conducted by the author was used for determining the economic impacts of artificial reefs in the Rio Grande Valley. Based upon ranges of estimated total diving and saltwater fishing expenditure, projections of the total economic impact were derived using Impact Planning for Analysis (IMPLAN) models for Texas and Cameron County. The economic impacts of anglers and divers spending on the region's economy are defined in terms of income, employment, value added, and total output.

Report Summary

According to the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, in 2016, anglers in the United States spent \$46.1 billion on trips, equipment, licenses, and other items to support their fishing activities, an average expenditure of \$1,290 per angler. According to the 2011 U.S. Census, fishing-related expenditures in Texas totaled \$1.5 billion in 2011. Saltwater anglers in RGV spent \$53.08 million on food and lodging, transportation, other trip costs, and equipment. The average expenditure per angler was \$1,186 in 2011.

The total estimated economic impact attributable to the RGV Reef Project combines the impacts from fishing and scuba diving. The impact is summarized as follows:

Total Impact Summary (Scuba Diving and Fishing)

Impact Type	Cameron County Employment	Labor Income	Value-Added	Output
Direct Effect	448	\$10,738,737	\$17,891,945	\$33,065,762
Indirect Effect	37	\$1,592,354	\$2,705,566	\$7,241,811
Induced Effect	41	\$1,533,395	\$2,929,033	\$5,275,442
Total Effect	537	\$13,864,486	\$23,526,544	\$45,583,015

The top 10 employers impacted are sporting goods stores (184 jobs), food services and drinking places (121 jobs), lodging (85 jobs), miscellaneous retail (54 jobs), car rental (13 jobs), gas stations (8 jobs), general merchandise retail (6 jobs), health practitioners (3 jobs), wholesale trade (3 jobs), and real estate establishments (2 jobs).

The estimated state and local sales tax impacts is estimated at \$1.4 million with \$340,040 going to local governments and \$1.1 million going to the state government. In addition, RGV anglers generated \$1.5 million in property tax. Total tax revenue generated at both the state and local level is estimated at \$3.6 million. Total tax revenue generated at the federal level is estimated at \$1.3 million.

The RGV Reef Project has the potential of attracting anglers year-round and generating an increase in demand for the hospitality and tourism services. This increase in economic activity especially during off-peak months can help smooth out the variability in business activity at the island and convert some seasonal employment into permanent year-round employment. In addition, it improves the economic resiliency of the island’s economy by increasing the diversity of tourism attractions.

[**READ THE FULL REPORT HERE**](#)



Since 2014, FoRGVR have been combating reef loss by deploying artificial reefing materials of different concentrations and sizes that act as graduated stepping stones of habitat for marine species. Artificial reef materials range from intentionally sunken vessels to concrete rail ties and cinder blocks. Learn more at www.rgvreef.com and follow along at @rgvreef on Facebook for updates.

If you are interested in providing resources for RGV Reef or supporting Friends of RGV Reef financially, contact Gary Glick at gary@thompsonproperties.com or at 512-923-1904