State of Community Report

PORT ARTHUR, TX

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Mar 27 2012
**Port Arthur** is part of the Golden Triangle, a portion of Southeast Texas that also includes the metropolitan areas of Beaumont and Orange. When established as a center for trade and tourism at the terminus of the Kansas City Southern Railroad during the late 1890s, Port Arthur did not have to wait long to prove it was just that, becoming part of the epicenter of the Texas oil boom in 1901. For the century since then, oil and gas refining has been core to the city, but the economic outlook is changing. Over the last decade and since the “Great Recession,” Port Arthur in losing jobs in key sectors and facing a growing number of housing unit vacancies and percentage of its population living below the poverty line. Sections on Population and Economics relate the changes Port Arthur is experiencing and how the city compares to the region or the state that.

Further, while its location on the Gulf of Mexico is vital for the role Port Arthur plays in petroleum-and cargo-shipping, it has also levied a challenge on Port Arthur of protecting its citizens and natural landscape against certain difficulties inherent in being a coastal city. It is almost entirely within Category 3 Hurricane surge zones, and since 2005, the city has withstood damage from four major storms. Land use is a major factor in a city’s capacity to take preventative measures, and inclusion of five land use maps of the Port Arthur city limits offers insight into the current state of land use and how this could be improved.

Port Arthur today has a population of about 53,800, and the data pulled together here shows the complexity of social, economic and geographic issues related to each and every one of those residents. We hope the compilation of the following data forwards your understanding, whether civic leader or average citizen, of the current social, economic and geographic fabric of the city and how this relates to both Port Arthur’s past and the direction the community can take it into the future.

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[3] http://members.virtualtourist.com/m/p/m/1f3eef/
Who are the people making a home in Port Arthur, Texas? Is our community growing? What is the quality of life here?

**FIVE KEY CATEGORIES** to understand the population of Port Arthur:

- **Demographic**
  - Size
  - Race
  - Age

- **Economic**
  - Income
  - Households and Housing

**Size**

As in the region, population growth is no longer occurring in Port Arthur. By 2030, the Beaumont-Port Arthur MSA and city of Port Arthur itself are projected to lose 2.65% of their current population. Facing a likely decline in tax revenue, Port Arthur residents and the city government will need to seek ways to evolve their community as it forges ahead into a challenging future.

**Race**

The community of Port Arthur is a diverse one. The greatest percentage (40.31% in 2010) of our citizens identify as Black or African American. But over the next 20 years, the proportion of this demographic group will remain mostly stable, while other demographic groups are projected to change significantly. Port Arthur residents identifying as White, for instance, will decline 6.81% while those identifying as Hispanic will see a 73% increase. Port Arthur has a number of residents of other races that will also gain in proportion.
As people age, they require and contribute to different aspects of their community. In Port Arthur, the median age of residents is 35.3 years, younger than the regional 36.9 year median age. Keeping track of information like this, especially the numbers of people who are school-aged, working-aged or retired, is insightful. The Aged Dependency Ratio is the proportion of older residents (65 years and over) who are economically inactive to working-age residents (defined here as between the ages of 18 and 64). Residents of working-age typically earn wages, pay income taxes and contribute to other government services. An increasing ratio, achieved through there being more older residents and fewer working-aged residents, indicates greater stress being placed on pension and government aid program funds. In Port Arthur, the ratio has decreased over the last 10 years, from 27.9 to 22.4. But comparatively, the ratio of the region is currently smaller at 20.9.

This State of the Community Report looks at certain relationships within the Port Arthur community that play a role in our economic success or challenges. For instance, median household income in Port Arthur has decreased. Currently $31,245, this figure was $34,626 in 1999 when adjusted for inflation. Comparatively, median household income of the region is higher at $45,029, meaning Port Arthur residents have less buying power than other residents of the region. Such trends continue when we look at unemployment rate and poverty status. Though lag behind the region in both economic indicators, Port Arthur has improved its unemployment rate and poverty status during the decade between 2000 and 2010.
Since 2000, the number of housing units in Port Arthur has actually decreased, while the percentage of vacant units has risen and is above the regional rate, suggestive of a weak housing market in Port Arthur. A further way to describe the relationship between housing and economy is with the Housing Opportunity Index, which indicates whether the existing range of housing units matches what residents can afford to pay. 64% of owners and 56% of renters in Port Arthur currently spend an affordable percentage of their income on housing, while 46% of owners and 36% of renters report paying an unaffordable 30% or more of their income for housing. Affordability of housing in Port Arthur has decreased markedly for homeowners since 2000 and remains low comparative to the region. Due to a significant amount of housing units that did not have computed data, it is impossible to determine the change for renters, though current data shows affordability is slightly greater for renters locally than regionally. It is clear that Port Arthur thus has a large need for affordable housing, particularly for buyers versus renters.

46% of owners and 36% of renters report paying an unaffordable 30% or more of their income for housing.

### Table 1. Housing Units

<table>
<thead>
<tr>
<th></th>
<th>Total Housing Units</th>
<th>Vacant Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSA 2010</td>
<td>162,334</td>
<td>17,400</td>
</tr>
<tr>
<td>Port Arthur 2010</td>
<td>23,577</td>
<td>3,394</td>
</tr>
<tr>
<td>Port Arthur 2000</td>
<td>24,713</td>
<td>2,875</td>
</tr>
</tbody>
</table>

### Chart 11. Vacancy Rate

- MSA 2010: 10.70%
- Port Arthur 2010: 14.40%
- Port Arthur 2000: 11.60%

According to the National Association of Home Builders (NAHB), families can generally afford to allot 28% of their gross income to housing costs. The NAHB says this number is a “conventional assumption in the lending industry,” however we could not use this number in our simplified analysis due to unavailability of data. Though the U.S. Census provides information for “selected monthly owner costs” and “gross rent” as a percentage of household income for both owners and renters, the nearest spending bracket to 28% used by the Census is 29.9%. Thus, our result likely overstates the number of families paying what is deemed affordable due to our inability to factor out the 1.9 percentage points above the recommended 28% level.

Sources:
- U.S. Census 2010
- U.S. Census 2000
- Port Arthur ACS 2006-2010 5-Year Estimates
- Beaumont-Port Arthur MSA ACS 2006-2010 5-Year Estimates
Port Arthur was once the center of the largest oil refinery network in the world. The city of Port Arthur has become the home of several major refineries, such as Motiva, Valero, Chevron Phillips and many more.[1] Port Arthur has some key installations of refinery. For example, during 2000-2010, Motiva Enterprises had a major addition to its western Port Arthur refinery, expanding capacity to 600,000 barrels per day (95,000 m³/d). Premcor Refining (now Valero) completed a $775 million expansion of its petrochemical plant, and BASF/Fina commenced operations of a new $1.75 billion gasification and cogeneration unit. [2] The neighboring cities of Port Arthur are Beaumont and Orange; together these cities make up Beaumont–Port Arthur Metropolitan Area, as known as the Golden Triangle. Employment of Beaumont-Port Arthur in 2010 was 155,120 (1.5% of total Texas employments). [3] From 2000 to 2010, employment of Texas increased 8.1%, while Beaumont-Port Arthur only contributed 0.9% of job increasing. According to the data set Bureau of Labor Statistics (2010), there were three industries which had been considered economic exporters of Beaumont-Port Arthur: “Construction and Extraction” with 9.3% of total employments, “Healthcare and Support” with 3.9% of total employments, and “Production” with 9.2% of total employments. Healthcare Support and Production were considered the current local strength industries. Construction and Extraction was local weakness. In contrast, four industries had been seen as economic importers: “Business and Financial Operations”, “Computer and Mathematical”, “Art, Design, Entertainment, Sport and Media”, and “Farming, Fishing, and Forestry”. Art, Design, Entertainment, Sport and Media Occupations was the only one with strong performance, and considered local emerging strength.

From 2010 and 2030, employment of Beaumont-Port Arthur is projected to grow 0.9%, or from 155,120 to 166,623 employees (See Chart 12).

The Chart 13 shows the top five industries in Beaumont-Port Arthur.

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**Economy**

“Three industries which had been considered economic exporters of Beaumont-Port Arthur: **Construction, Healthcare, and Production.**”
Office and Administrative Support

Office and Administrative Support industry has the largest number of employment in Beaumont-Port Arthur. The employment was 22,600 in 2010 and increased 0.4% from 2000 to 2010. Although the number of employment in this industry increases in local and state in the period, the percentage of this industry both decreases. This phenomenon reveals the trends of decreasing role of Office and Administrative Support industry in local and state economic. In 2030, we project this industry will increase 201 jobs with the growth rate 0.4%.

Sales and Related Occupations

The employment of Sales and Related Occupations in 2010 was 15,170, and the growth rate was -6.1% from 2000 to 2010. The state as a whole has added 169,920 jobs in this sector between 2000 and 2010. Beaumont-Port Arthur is becoming less competitive in this sector. If the employment continues declining at the same rate, we can expect a loss of 921 jobs in 2020 and 864 in 2030.

Construction and Extraction

Employment of Construction and Extraction in 2010 was 14,490, and the growth rate was -6.6% from 2000 to 2010. This industry was considered a local potential export base, however, it was a local competitive weakness. This industry employment was a decline in the most fifth of all industries in Beaumont-Port Arthur. If the employment continues declining at the same rate, we project this industry will lose 1,859 jobs in 2030.

Production

The employment of Production in 2010 was 14,230. The employments of Production industry increased 9.1% from 2000 to 2010. Other industries which created most jobs, all need support from production such as equipment operators, bakers, meat cutters, inspectors, etc. On the other hand, there are three major rail carriers, five major roadways, the Intracoastal Waterway and global steamship lines feed into the Port of Beaumont.[4] There is a large demand for the first line operators for industry plants and equipments that add up to the production occupations. If the employment continues increasing at the same rate, we project this industry will increase 2,716 jobs in 2030.

Food Preparation and Serving

The food preparation and service industry is considered as an economic sector as basic to the city’s economy. The employment in 2010 was 13,500, and increased 11.3% from 2000 to 2010. If the employment continues increasing at the same rate, we project this industry will increase 3,222 jobs in 2030. However, the city of Port Arthur was projected to lose residents. By 2030, the total population is projected to be just 97% of what it is today. So, it would be expected that this industry could not grow linearly for the next two decades even if it remains basic to the shrinking Port Arthur community’s economy.

Land use analysis

Five maps suitable land use analysis are created according to different type of land use: Single Family, Multi Family, Commercial, Industrial, Farm Lands. Current land use map of Port Arthur is adopted via the city web site. Current land use map of Port Arthur is divided into 4 distinct areas: 1. North East, 2. Center, 3. West and 4. South. According to this map, while Area 1 is a location of Industrial activities, Area 2 is using with different purposes such as Agriculture, Residence, Industrial and Planned Development. Since locate on the center of the city and adjacent to Lake Sabine, Area 2 possesses many advantages not only on the transportation but also the living environment for population. Area 3 is mainly used by Single Family and Industrial purpose. Besides, Agriculture and Industrial is a dominant land use type in Area 4. In this area, Agriculture is locate to a far South of the land while the North side that close to center of the city is an Industrial area.

Figure 4. Land use map (2010)

Figure 5. Single Family Suitable Land Use Map

Figure 6. Multi Family Suitable Land Use Map
Land use analysis

Figure 7. Commercial Suitable Land Use Map

Figure 8. Industry Suitable Land Use Map

Figure 9. Farmland Suitable Land Use Map
Port Arthur offers many opportunities when it comes to transportation. Southeast Texas Regional Airport offers several flights a day to Houston. In addition, citywide bus services are provided by Port Arthur Transit, and a special paratransit door-to-door service is also offered for the elderly and disabled residents. The Port of Port Arthur is located near the Gulf of Mexico. About 12 general freight carriers serve Port Arthur. There are three major railroad lines operating in Port Arthur (Port Arthur, Texas, Community Profile 2009). Of its highway systems, I-10 is the most important interstate near Port Arthur, connecting East Texas directly to other southern states. More locally, State Highways 347 and 87 link Port Arthur to Beaumont and Orange, TX. Through trucking, rail, air and its large shipping port, Port Arthur is well-connected to the region and a key player in inter-state and international shipping.
S.W.O.T. analysis

Strengths

1. **Labor Force**: Aged Dependency Ratio is improving, indicating that the pressure on working-age residents to support the youth and older population is decreasing.
2. **A Diverse Population** adds culture and extends the worldliness of the city’s residents.
3. **Potential for Export**: Economic projections show that healthcare and production are current local strengths.
4. The city’s **existing facilities and infrastructures** include the port and its goods transportation logistic services.
5. **Land feature** is suitable for agriculture, living conditions and industrial.
6. Port Arthur is situated in a region of Texas that is known for producing rice, one of the most significant agricultural products in eastern Texas.
7. Port Arthur is conveniently located near several transportation systems: road, port, and railway and is one of the few cities of its size with a public transit system.

Opportunities

1. The city should take advantage of its growing number of working-age residents and invest in educational facilities and technical schools that can increase the labor force’s range and expertise of skills.
2. The increasing proportion of minority populations, primarily Hispanic, offers the city an opportunity to provide a more diverse housing stock (increasing multi-family units and more affordable single-family residential units will offers a chance to increase density in preferred areas).
3. The city should foster the strength of its basic, exporting industries and seek to become more self-sufficient in the industries that are currently being imported.
4. Make investments and enact creative strategies to become the center of the port and oil-shipping industry as well as a technical support and green technology hub for the whole region.

Weaknesses

1. The total **population is declining**, leading to decreased tax revenue for the local government.
2. The city has a greater rate of families living below the poverty rate, compared to MSA.
3. Port Arthur has experienced **job growth at only 0.8%**, much lower than the growth rate of Texas (8.8% for the same time period, 2000-2010). Major causes of this include the stagnant growth of the Office and Administrative Support Industry, the largest employer in Port Arthur and in Texas, but which increased at only a rate of 0.4% in Port Arthur. Further, the second and third greatest employers have each decreased at a rate of over 6% in the past decade. Port Arthur needs to develop more competitive industries in which more of its residents can be employed.
4. **Four out of 25 industries are not meeting local demand** and therefore being imported.
5. Further, the **Management Industry suffered the greatest decrease in growth rate**, resulting in a large loss of well-paid jobs in the area.
6. A large area of the city is used for industry, which can be **harmful for the environment** and not the most suitable use of the land, according to the land use analysis.
7. There are many instances where the current use of land is not being used for the most suitable purposes, according to the land use analysis.

Threats

1. Because of its declining population, tax revenue will decrease, putting stress on the city budget as Port Arthur tries to maintain a level of service for its population.
2. Impact of natural disasters (hurricane, storm, flooding, ...)
3. Ineffective way of using land will constrain the future development.
4. Environment pollution due to the large amount of industrial area.