

TEXAS A&M UNIVERSITY CORPUS CHRISTI | SOUTH TEXAS ECONOMIC DEVELOPMENT CENTER

Potential Economic and Fiscal Impacts of the I-69 Corridor Expansion on the City of Odem

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Prepared by

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PROJECT OVERVIEW & BACKGROUND

SUMMARY OF RESEARCH STUDY

The proposed US 77 Odem Project represents a transportation infrastructure investment intended to improve regional connectivity, enhance mobility, strengthen freight movement, and support long-term economic development in South Texas. As part of the future Interstate 69 (I-69) system, the proposed project would upgrade portions of existing US 77 to interstate standards while constructing a new relief route around the City of Odem. According to TxDOT, the project is intended to improve roadway safety, reduce travel delays, facilitate hurricane evacuation, and improve the movement of people and goods throughout the Coastal Bend region.

The proposed corridor will extend approximately 11.4 miles from Interstate 37 to FM 1945 south of Sinton. The project is currently in the environmental study and schematic design phase, with environmental review and route refinement expected through 2027–2028, followed by right-of-way acquisition and final design during 2028–2031. Subject to environmental approval and funding availability, construction is anticipated to begin in 2032. However, because the project's completion schedule will depend on environmental approvals, funding availability, right-of-way acquisition, final design, and construction progress, the actual operational date remains uncertain.

Unlike evaluations of completed transportation projects, this study examines a proposed highway bypass that has not yet been constructed. Consequently, historical post-project data are not available to support the before-and-after or counterfactual analyses commonly employed in the transportation economics literature to estimate realized economic impacts. Instead, this study adopts a scenario-based economic impact framework to evaluate the potential economic and fiscal implications of the proposed I-69 bypass for the City of Odem.

Industries expected to be most susceptible to reductions in pass-through traffic were identified based on previous empirical studies of highway bypasses and an assessment of the City of Odem's economic structure, industry composition, and dependence on pass-through commercial activity. Because the magnitude of future traffic diversion cannot be directly observed prior to project completion, three alternative scenarios—a Low Impact Scenario, Moderate Impact Scenario, and High Impact Scenario—were developed to represent a reasonable range of potential economic outcomes. Together, these scenarios provide a structured sensitivity analysis that reflects the

uncertainty inherent in evaluating the potential economic impacts of a transportation project that has not yet been constructed. They reflect progressively greater reductions in business activity among industries expected to be most dependent on pass-through traffic.



Source: TxDOT.

US 77 Odem Project: I-69 Bypass Route Alternatives

The estimated direct reductions in business activity were then introduced into the IMPLAN input-output (I-O) modeling framework to estimate the resulting changes in total economic output, employment, labor income, value added (gross domestic product), and tax revenues. In addition, the potential implications for City of Odem municipal sales tax collections were evaluated separately as part of the fiscal impact analysis.

The estimated impacts are expressed as annual effects based on the current economic structure of the region using the latest available IMPLAN data set. The analysis assumes the proposed bypass is operational under current economic conditions and does not project future economic conditions. Accordingly, the results should be interpreted as planning-level estimates rather than precise forecasts of future economic outcomes.

EXECUTIVE SUMMARY

This study estimates the potential annual economic and fiscal impacts of the proposed I-69 bypass on the City of Odem under three planning scenarios representing Low, Moderate, and High levels of traffic diversion from businesses dependent on pass-through travelers. Economic impacts were estimated using the IMPLAN input-output modeling framework and include direct, indirect, and induced effects on employment, labor income, gross domestic product (GDP), economic output, and tax revenues.

Under the Low Impact Scenario, annual economic losses are estimated at approximately 10 jobs, $1.03 million in economic output, $505 thousand in GDP, $277 thousand in labor income, and $128 thousand in total tax revenues. Under the Moderate Impact Scenario, annual losses increase to approximately 20 jobs, $2.05 million in output, $1.01 million in GDP, $554 thousand in labor income, and $257 thousand in total tax revenues. The High Impact Scenario estimates annual losses of approximately 33 jobs, $3.43 million in output, $1.71 million in GDP, $942 thousand in labor income, and $436 thousand in total tax revenues.

The analysis also estimates potential reductions in City of Odem municipal sales tax collections of approximately $3,958 annually under the Low Impact Scenario, $7,924 under the Moderate Impact Scenario, and $13,437 under the High Impact Scenario, equivalent to approximately 0.7%, 1.5%, and 2.5% of the City's recent average annual municipal sales tax collections.

These estimates represent planning-level scenarios rather than forecasts of future economic performance. Actual outcomes will depend on future traffic patterns, traveler behavior, business adaptation strategies, and broader economic conditions following completion of the proposed bypass. The results are intended to provide local officials, transportation planners, and economic development stakeholders with a transparent analytical framework for evaluating the potential local economic and fiscal implications of the proposed project.

RESULT HIGHLIGHTS

The proposed I-69 bypass is estimated to reduce annual economic activity among businesses that rely on pass-through traffic, resulting in recurring losses to employment, labor income, economic output, gross domestic product (GDP), and tax revenues. Across the three planning scenarios, annual economic output losses range from approximately $1.03 million to $3.43 million, while total annual tax revenue losses range from approximately $128 thousand to $436 thousand. Estimated reductions in municipal sales tax collections range from approximately $4,000 to $13,400 annually, representing 0.7% to 2.5% of the City's recent average annual municipal sales tax collections. Unless otherwise noted, all impact estimates are expressed as annual impacts in constant 2026 dollars.

ESTIMATED ANNUAL ECONOMIC AND FISCAL IMPACTS OF THE PROPOSED I-69 BYPASS ON THE CITY OF ODEM

Impact Measure	Low Impact	Moderate Impact	High Impact
Employment (Jobs)	9.9	19.8	33.3
Economic Output	$1,025,054	$2,051,123	$3,432,378
Gross Domestic Product (GDP)	$504,945	$1,010,250	$1,708,659
Labor Income	$276,968	$554,098	$941,781
Total Tax Revenues	$128,360	$256,929	$435,669
Municipal Sales Tax	$3,958 *(0.7%)*	$7,924 *(1.5%)*	$13,437 *(2.5%)*

Note: Municipal sales tax impacts are expressed relative to the City of Odem's average annual municipal sales tax collections of approximately $540,975 (2022–estimated 2026).

IMPACT MODELING METHODOLOGY & DATA

IMPACT MODELING METHODOLOGY: INPUT-OUTPUT MODELING

This report was prepared by the South Texas Economic Development Center (STEDC) at the College of Business, Texas A&M University–Corpus Christi. The study estimates the potential economic and fiscal impacts of the proposed I-69 bypass by evaluating projected changes in business activity that may occur following completion of the project. Economic impacts are measured in terms of employment, labor income, value added (gross domestic product), output, and tax revenues.

Economic impacts were estimated using the IMPLAN input-output (I-O) modeling system, which incorporates detailed information on industry production functions, regional purchasing patterns, household spending behavior, and inter-industry relationships to estimate how changes in one sector affect the broader economy through supply-chain linkages and household spending.

Because the proposed I-69 bypass has not yet been constructed, historical post-project data are unavailable. Accordingly, this study adopts a scenario-based forecasting approach rather than traditional before-and-after or counterfactual analyses used for completed transportation projects. Three alternative scenarios—a Low Impact Scenario, Moderate Impact Scenario, and High Impact Scenario—were developed to represent a reasonable range of potential economic outcomes associated with future changes in pass-through traffic. Industries included in the analysis were identified based on previous empirical studies of highway bypasses and an assessment of the study region's economic structure, industry composition, and dependence on pass-through commercial activity.

The analysis was conducted using ZIP Code 78370, the smallest geographic unit available within IMPLAN corresponding to the City of Odem. Although the ZIP-code area extends beyond the municipal boundaries, it provides the closest available approximation of the local economy. Defining the study region at this geographic scale allows the analysis to focus on businesses most likely to be affected by the proposed bypass while avoiding the dilution of impacts that would occur if a substantially larger geography, such as San Patricio County, were used.

The IMPLAN model estimates three types of economic effects:

- **Direct effects** represent projected changes in business activity within industries expected to be affected by reduced pass-through traffic.
- **Indirect effects** capture business-to-business impacts as directly affected firms adjust purchases from local suppliers.
- **Induced effects** reflect changes in household spending resulting from changes in employee and proprietor income.

The total economic impact equals the sum of the direct, indirect, and induced effects. The strength of these relationships is reflected in the economic multiplier, which measures how an initial change in business activity propagates throughout the study region.

Because the study region represents a relatively small local economy, some expenditures generated by affected businesses occur outside the region and therefore do not create additional local economic activity. IMPLAN automatically accounts for these economic leakages through regional purchasing coefficients and trade-flow estimates, thereby limiting multiplier effects to economic activity retained within the study region.

This study estimates only the annual economic and fiscal impacts associated with changes in business activity after the bypass becomes operational. It does not estimate temporary construction impacts or broader transportation benefits such as reduced travel times, improved safety, enhanced freight mobility, lower vehicle operating costs, or improved regional accessibility.

The analysis utilizes the IMPLAN 2024 database for the study region. The estimated impacts represent annual planning-level estimates based on the current economic structure of the region and should not be interpreted as precise forecasts of future economic conditions.

ECONOMIC INDICATORS

The IMPLAN model reports five principal economic indicators used throughout this study.

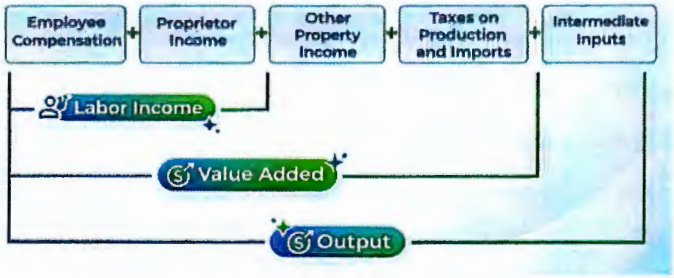
Employment measures the total number of jobs supported or affected, including full-time, part-time, and seasonal employment (not full-time-equivalent positions).

Labor Income represents total employee compensation and proprietor income associated with the affected economic activity.

Value Added (Contribution to GDP) measures the net contribution to gross domestic product and consists of labor income, other property income (profits), and taxes on production and imports.

Output represents the total value of economic activity, or business sales, generated within the study region.

Tax Impacts estimate changes in tax revenues generated at the local, county, state, and federal levels resulting from the projected changes in economic activity.



MODEL INPUTS & ASSUMPTIONS

The economic impact estimates presented in this study are based on estimated reductions in business activity among industries expected to be affected by the proposed bypass. These direct losses serve as the primary inputs to the IMPLAN input-output model for estimating the corresponding economy-wide impacts.

Consistent with standard economic analysis, the study assumes all other economic conditions remain constant in order to isolate the potential economic effects attributable to the proposed bypass. Consequently, the estimates presented in this report should be interpreted as planning-level scenario analyses under the assumptions employed in this study rather than forecasts of the future economy.

REGIONAL ECONOMY OVERVIEW

The study region is represented by ZIP Code 78370, the smallest geographic unit available within the IMPLAN modeling system corresponding to the City of Odem. Although the ZIP-code area extends beyond the municipal boundaries, it provides the closest available geographic approximation of the local economy for input-output modeling purposes. Using this study region allows the analysis to focus on businesses most likely to be affected by the proposed bypass while avoiding the dilution of impacts that would occur if substantially larger geographies, such as San Patricio County or the Corpus Christi Metropolitan Statistical Area, were used.

The study region supports approximately 1,565 jobs across 109 industries, generating an estimated $334.1 million in total economic output and $209.7 million in gross domestic product (GDP). As shown in Table 1, economic activity is concentrated within a relatively small number of industries, with the fifteen largest industries accounting for approximately 81.2% of total regional output.

Oil and Gas Extraction is the region's largest industry, representing 36.3% of total output, followed by Retail–General Merchandise Stores, Owner-Occupied Housing, Landscape and Horticultural Services, Local Government, Residential Construction, and several retail and food service industries. While many of the region's largest industries are not expected to be materially affected by the proposed bypass, several highway-oriented businesses—including gasoline stations, restaurants, and general merchandise retailers—represent an important component of the local commercial base and are therefore included in the impact analysis.

TABLE 1. REGIONAL ECONOMY REVIEW & TOP 10 INDUSTRIES BY OUTPUT

	EMPLOYMENT	1,565
	NUMBER OF INDUSTRIES	109
	TOTAL OUTPUT	**$334,119,380**
	GROSS DOMESTIC PRODUCT (GDP)	$209,706,788

	IMPLAN Code - Industry Name	Output	Share of Total Output
1	Oil and gas extraction	$121,217,307	36.3%
2	Retail - General merchandise stores	$30,192,180	9.0%
3	Owner-occupied housing	$26,341,718	7.9%
4	Landscape and horticultural services	$14,286,547	4.3%
5	* Employment and payroll of local govt, education	$12,680,327	3.8%
6	Construction of new single-family residential structures	$11,341,734	3.4%
7	Construction of other new residential structures	$11,016,854	3.3%
8	Waste management and remediation services	$10,563,975	3.2%
9	* Employment and payroll of local govt, other services	$5,959,514	1.8%
10	Limited-service restaurants	$5,367,112	1.6%
11	Cotton farming	$5,261,717	1.6%
12	Full-service restaurants	$4,587,736	1.4%
13	Wholesale - Petroleum and petroleum products	$4,408,267	1.3%
14	Wholesale - Other nondurable goods merchant wholesalers	$4,128,337	1.2%
15	Construction of new multifamily residential structures	$4,060,861	1.2%
	TOTAL OF TOP 15	**$271,414,185**	**81.2%**

Because highway bypasses do not affect all industries equally, the analysis focuses on businesses expected to be most susceptible to reductions in pass-through traffic. Consistent with previous highway bypass research, industries were classified into Primary and Secondary impact categories according to their anticipated level of exposure to traffic diversion.

Primary industries include businesses that depend heavily on highway travelers, including gasoline stations and food service establishments. Secondary industries include retail and lodging businesses that may also experience reduced customer activity, although generally to a lesser extent. The industries selected for analysis are presented in Table 2.

TABLE 2. INDUSTRIES SELECTED FOR THE PROPOSED BYPASS IMPACT ANALYSIS

Impact Category	IMPLAN Industry Code	Industry	Output	% of Total Output
Primary	391	Retail – Gasoline Stores	$ 3,117,385	0.9%
Primary	492	Limited-Service Restaurants	$ 5,367,112	1.6%
Primary	491	Full-Service Restaurants	$ 4,587,736	1.4%
Primary	493	All Other Food & Drinking Places	$ 344,507	0.1%
Secondary	489	Hotels & Motels	$ 191,565	0.1%
Secondary	389	Retail – Food & Beverage Stores	$ 256,924	0.1%
Secondary	394	Retail – General Merchandise Stores	$ 30,192,180	9.0%
Secondary	395	Retail – Miscellaneous Store Retailers	$ 284,968	0.1%

Collectively, the industries included in the analysis account for approximately 13.3% of total regional output. These industries form the basis for the Low, Moderate, and High Impact Scenarios developed to estimate the potential economic and fiscal effects of the proposed bypass.

Several industries were evaluated but ultimately excluded because they were not expected to experience material impacts permanently and directly attributable to traffic diversion associated with the proposed I69-bypass. These include truck transportation, highway construction and maintenance activities, motor vehicle dealerships, and automotive repair services. Excluding these industries allows the analysis to focus on business sectors with the greatest anticipated exposure to changes in pass-through traffic while avoiding impacts unrelated to bypass operations.

ECONOMIC IMPACT METHODOLOGY

Because the proposed I-69 bypass has not yet been constructed, its economic effects cannot be evaluated using observed post-project data. This study therefore employs a prospective, scenario-based approach to estimate potential annual economic and fiscal losses under alternative assumptions regarding reductions in pass-through traffic and traveler-oriented business activity.

Previous research indicates that businesses dependent on highway travelers—particularly gasoline stations, restaurants, convenience retail, and lodging establishments—are generally more susceptible to bypass-related traffic diversion than businesses serving primarily local residents or destination-oriented customers (Srinivasan & Kockelman, 2002). Because findings from prior studies are not directly transferable to Odem, industry-specific assumptions were developed based on the bypass literature and the structure and composition of the local commercial economy.

Three planning scenarios were developed to reflect uncertainty regarding the magnitude of future business losses. The scenarios are not predictions of future business performance; rather, they provide a reasonable range of potential annual outcomes under progressively greater levels of impact.

TABLE 3. SCENARIO DEFINITIONS

Scenario	Description
Low Impact	Assumes relatively limited diversion of pass-through traffic and corresponding reductions in traveler-oriented business activity.
Moderate Impact	Assumes moderate reductions in business activity among industries dependent on pass-through traffic while recognizing continued patronage by local residents and destination travelers.
High Impact	Represents an upper-bound planning scenario in which greater traffic diversion results in larger reductions among traveler-oriented businesses.

Separate assumptions were developed for each industry based on its expected dependence on pass-through traffic. Businesses that rely more heavily on highway travelers, such as gasoline stations and restaurants, were assigned larger potential reductions than businesses serving primarily local residents.

Table 4 distinguishes between two assumptions: *Exposed Share of Sector* is the estimated proportion of an industry's annual activity associated with pass-through travelers using the existing US 77 corridor. *Decline in Exposed Activity* is the assumed reduction in that traveler-dependent activity under each scenario. The resulting *Effective Sector-Wide Reduction* is calculated as: *Effective Sector-Wide Reduction = Exposed Share of Sector × Decline in Exposed Activity*.

TABLE 4. INDUSTRY-SPECIFIC SCENARIO ASSUMPTIONS USED TO ESTIMATE DIRECT BUSINESS ACTIVITY REDUCTIONS

IMPLAN Industry	Exposed Share of Sector	Low Scenario	Moderate Scenario	High Scenario	Effective Reduction (Low)	Effective Reduction (Moderate)	Effective Reduction (High)
Gasoline Stores	100%	15%	30%	45%	15.0%	30.0%	45.0%
Limited-Service Restaurants	75%	12.5%	25%	40%	9.38%	18.75%	30.0%
Full-Service Restaurants	50%	10%	20%	35%	5.0%	10.0%	17.5%
Other Food & Drinking Places	60%	10%	20%	35%	6.0%	12.0%	21.0%
Hotels & Motels	40%	7.5%	15%	25%	3.0%	6.0%	10.0%
Food & Beverage Stores	40%	7.5%	15%	25%	3.0%	6.0%	10.0%
General Merchandise Stores	25%	5%	10%	20%	1.25%	2.5%	5.0%
Miscellaneous Retail	25%	5%	12.5%	20%	1.25%	3.13%	5.0%

Note: The assumptions shown above are planning parameters rather than forecasts of actual business losses. They were developed using published highway bypass research and the characteristics of Odem's commercial economy. The scenarios are intended to illustrate a reasonable range of potential outcomes.

The effective reduction percentages were applied to each industry's baseline annual output to estimate the direct business losses entered into the IMPLAN model. Table 5 presents the resulting direct output shocks under the Low, Moderate, and High Impact Scenarios.

TABLE 5. ESTIMATED ANNUAL DIRECT BUSINESS OUTPUT LOSSES UNDER THREE DIFFERENT I-69 BYPASS IMPACT SCENARIOS (2024 DOLLARS)

IMPLAN Industry	Annual Output	Low Scenario	Moderate Scenario	High Scenario
Retail – Gasoline Stores	$3,117,385	-$467,608	-$935,216	-$1,402,823
Limited-Service Restaurants	$5,367,112	-$503,167	-$1,006,333	-$1,610,133
Full-Service Restaurants	$4,587,736	-$229,387	-$458,774	-$802,854
Other Food & Drinking Places	$344,507	-$20,670	-$41,341	-$72,347
Hotels & Motels	$191,565	-$5,747	-$11,494	-$19,156
Retail – Food & Beverage Stores	$256,924	-$7,708	-$15,415	-$25,692
Retail – General Merchandise Stores	$30,192,180	-$377,402	-$754,805	-$1,509,609
Retail – Miscellaneous Store Retailers	$284,968	-$3,562	-$8,905	-$14,248
Total	**$44,342,377**	**-$1,615,251**	**-$3,232,283**	**-$5,456,862**

Note: Direct output losses were calculated by applying the effective reduction percentages in Table 4 to each industry's baseline annual output. Negative values denote reductions in business activity and represent the direct economic shocks entered into IMPLAN. Baseline output and direct shocks are presented in 2024 IMPLAN dollars; final economic impact results are reported in 2026 dollars.

Estimated direct annual output losses are approximately $1.62 million under the Low Impact Scenario, $3.23 million under the Moderate Impact Scenario, and $5.46 million under the High Impact Scenario.

The largest direct losses are concentrated among gasoline stations and restaurants because these businesses are assumed to derive comparatively large shares of their revenues from pass-through travelers. General merchandise stores also experience measurable losses because of their substantial baseline output, although only a relatively small portion of their activity is assumed to depend on through traffic.

These direct business output losses serve as the initial shocks used to estimate the resulting total impacts on employment, labor income, value added, output, and tax revenues.

ECONOMIC IMPACTS OF THE PROPOSED I-69 BYPASS ON THE CITY OF ODEM: OUTPUT, GDP, LABOR INCOME, JOBS, AND TAX IMPACTS

ANNUAL ECONOMIC IMPACTS UNDER ALTERNATIVE TRAFFIC DIVERSION SCENARIOS

Because the extent to which traffic will divert from existing businesses following completion of the proposed I-69 bypass cannot be known in advance, three planning scenarios were evaluated representing Low, Moderate, and High levels of business revenue loss. Together, these scenarios provide a reasonable range of potential annual economic and fiscal impacts associated with the proposed bypass.

As shown in Table 6, estimated annual economic losses range from approximately 10 to 33 jobs, $276,968 to $941,781 in labor income, $504,945 to $1.71 million in value added (GDP), and $1.03 million to $3.43 million in total economic output, depending on the assumed degree of traffic diversion and the resulting reductions in business activity. While the proposed bypass is expected to provide broader regional transportation benefits, businesses that rely on pass-through traffic, including gasoline stations, restaurants, convenience retail, and other traveler-oriented establishments, may experience reductions in customer activity and business revenues.

TABLE 6. ESTIMATED ANNUAL ECONOMIC IMPACTS OF THE PROPOSED I-69 BYPASS

Economic Indicator	Low	Moderate	High
Employment (Jobs)	9.9	19.8	33.3
Labor Income	$276,968	$554,098	$941,781
Gross Domestic Product (Value Added)	$504,945	$1,010,250	$1,708,659
Economic Output	$1,025,054	$2,051,123	$3,432,378

Source: STEDC estimates using IMPLAN 2024 Data.

The estimated impacts include the combined direct, indirect, and induced effects generated throughout the study region. As expected, the majority of total impacts occur through direct business losses, reflecting the relatively small size of the local economy and the limited supply-chain and household-spending multiplier effects retained within the study region.

FISCAL IMPACTS

Reduced business activity associated with the proposed I-69 bypass would also reduce tax revenues generated by affected businesses, employees, and households. Across the three planning scenarios, total annual tax revenue losses are estimated to range from approximately $128,000 under the Low Scenario to approximately $436,000 under the High Scenario (Table 7).

Municipal sales tax collections are of particular interest because they represent one of the City's principal locally generated revenue sources. Based on Texas Comptroller of Public Accounts data, the City of Odem collected an average of approximately $540,975 in annual municipal sales tax revenues between 2022 and the estimated 2026 collections. Under the scenario assumptions developed in this study, annual municipal sales tax losses are estimated to range from approximately $3,958 under the Low Scenario to $13,437 under the High Scenario, representing approximately 0.7%, 1.5%, and 2.5% of the City's average annual sales tax collections under the Low, Moderate, and High Scenarios, respectively. Although these percentages are relatively modest, they represent recurring annual revenue losses that would reduce resources available to support municipal services, including public safety, infrastructure, parks, and general government operations.

Reduced economic activity would also decrease revenues collected by local governments, special districts, counties, the State of Texas, and the federal government through lower taxable sales, business activity, labor income, and household spending (although some of these losses at the state and federal level would be offset by spending that would be shifted to other locations away from the city of Odem). These fiscal impacts represent recurring annual losses that would continue as long as a portion of pass-through economic activity is diverted away from businesses located within the study region.

TABLE 7. ESTIMATED ANNUAL TAX REVENUE LOSSES

Tax Category	Low	Moderate	High
Municipal Sales Tax	**$3,958**	**$7,924**	**$13,437**
Local Taxes (City & Special Districts)	$45,436	$90,944	$154,094
County Taxes	$7,504	$15,019	$25,444
State Taxes	$30,301	$60,696	$102,775
Federal Taxes	$45,119	$90,269	$153,057
Total Tax Revenues	**$128,360**	**$256,929**	**$435,669**

Source: STEDC estimates using IMPLAN 2024 Data and Texas Comptroller of Public Accounts sales tax collection data.

INTERPRETATION OF RESULTS

The three scenarios presented in this study represent a range of plausible planning outcomes rather than precise forecasts of future economic conditions. The Low Scenario assumes relatively limited diversion of pass-through traffic, the Moderate Scenario represents the central planning scenario used in this analysis, and the High Scenario assumes greater traffic diversion and correspondingly larger reductions in business activity.

For planning purposes, STEDC considers the Moderate Scenario to represent the central planning scenario for evaluating the potential local economic and fiscal implications of the proposed bypass. The Low and High Scenarios provide reasonable lower-bound and upper-bound estimates that illustrate the range of potential outcomes under alternative assumptions regarding traffic diversion and business activity. Accordingly, unless circumstances suggest otherwise, the Moderate Scenario provides the most appropriate baseline for planning and discussion.

Actual economic impacts will depend on numerous factors, including future traffic volumes, traveler behavior, business adaptation strategies, local economic conditions, commercial development patterns, and the extent to which travelers continue to patronize businesses within Odem. Consequently, the estimates presented in this report should be interpreted as planning-level scenario analyses rather than predictions of future business performance.

This study evaluates only the potential adverse local economic and fiscal impacts associated with reduced pass-through commercial activity following completion of the proposed bypass. It does not quantify the broader regional transportation benefits that may result from the project, including improved traffic flow, reduced travel times, enhanced freight mobility, improved roadway safety, reduced congestion, or other long-term regional economic benefits.

Accordingly, the findings should not be interpreted as a comprehensive benefit-cost analysis of the proposed bypass. Rather, they provide a transparent assessment of the potential local economic and fiscal trade-offs associated with diverting through traffic away from existing businesses, thereby supporting informed decision-making by community leaders, transportation planners, and economic development stakeholders.

REFERENCES

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APPENDIX

A1. TIME CONSIDERATIONS

The IMPLAN modeling system is a comparative-static input-output model designed to estimate economic impacts for a single period of analysis. Accordingly, this study estimates the annual economic and fiscal impacts that would occur if the proposed I-69 bypass were operational under current economic conditions. The analysis does not forecast future changes in prices, employment, population, business activity, or regional economic conditions. Instead, it provides planning-level estimates based on the latest available IMPLAN data set, with all other economic conditions held constant (*ceteris paribus*).

A2. ABOUT THE SOUTH TEXAS ECONOMIC DEVELOPMENT CENTER

The South Texas Economic Development Center (STEDC) at Texas A&M University–Corpus Christi provides applied economic research, economic impact analysis, demographic analysis, forecasting, and technical assistance to public agencies, nonprofit organizations, and private-sector clients throughout South Texas and beyond. The Center conducts objective, data-driven research to support economic development, strategic planning, and public policy decision-making.

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Brooke T. Paup, *Chairwoman*
Catarina R. Gonzales, *Commissioner*
Tonya R. Miller, *Commissioner*
Steven Schar, *Interim Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 28, 2026

The Honorable David Maldonado
Mayor of Odem
514 Voss Avenue
Odem, Texas 78370

Via Email

Re: General Compliance Letter for a Compliant Investigation at:
City of Odem WWTP, located approximately 1.8 miles southeast of the intersection of U.S. Highway 77 and Farm-to-Market Road 631, Odem (San Patricio County), Texas
Regulated Entity No.: 104188594, TCEQ ID No.: WQ0010237002, Investigation No.: 2181048, Incident No.: 465597

Dear Mayor Maldonado:

On September 28, 2026, Travis Prater of the Texas Commission on Environmental Quality (TCEQ) Corpus Christi Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for wastewater treatment. No violations are being alleged as a result of the investigation. This investigation was the result of a complaint. For information regarding our complaint policies and procedures, please refer to the following website: https://www.tceq.texas.gov/compliance/complaints.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Prater in the Corpus Christi Region Office at Phone # 361-881-6900.

Sincerely,

Blas Rizzo
Water Section Work Leader
Corpus Christi Region Office

BR/TP/mjc

cc: Lisa Hernandez, City Administrator – via email