

COVER STORY

Laredo retailers have suffered a full year of the pandemic coupled with border closures

By Jorge A. Vela
 LAREDO MORNING TIMES

The COVID-19 pandemic has affected the retail industry all over the country and the world. But Laredo, a border city that continues to be affected by a concurrent year of bridge closures, has been doubly beset by problems in its retail sector.

Before March 21, 2020, Nuevo Laredo would regularly cross into their sister city with a tourist visa, and many Laredo retailers had come to count on their business. Over the course of the year that these shoppers have been barred from crossing, millions of dollars have been lost. And many businesses, both large and small, were forced to close their doors temporarily or sometimes permanently.

The City of Laredo lost about \$2 million in sales tax revenue from 2019 to 2020, noted the city's Economic Development Director Teclio Garcia.

"We know that by just looking at those numbers, that we are down in retail sales by five to seven percent," he said. "Some of that is directly due to COVID here by citizens not going out much to the stores, especially, around the summer. But a lot of that can be attributed to the loss of the Mexican shopper and the lack of nonessential travel."

Some large retailers in like Sears and Bealls, which already had plans to close, shut their doors last year in Laredo. Other retailers such as Aldo Shoes, the Disney Store, Cinemark Movies 12, DXL Big & Tall and others, closed more suddenly during the pandemic. Garcia notes that it's difficult to know their exact



Danny Zaragoza / Laredo Morning Times file

A sign announcing a temporary closure is displayed in the window of a mostly empty store, Aug. 27, 2020, in downtown Laredo.

reasons for closing; businesses are not required to fill out paperwork when they shutter like they do when they are opening.

Gene Lindgren, president and CEO of the Laredo Economic Development Corporation, noted that in years prior, about half of all retail sales in Laredo came from Mexican shoppers, even more so at smaller stores downtown.

"For those that have been affected, it's bad, especially in the retail and hospitality sector," Lindgren said. "When our area counts on almost half of the retail sales from our friends across, and they aren't coming, it's a huge challenge."

Nevertheless, Lindgren said that he is glad that sev-

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— City of Laredo Economic Development Director Teclio Garcia

eral resources have been offered to these businesses, both big and small, to have some room to survive.

"The resources and support from the city and the federal government along with the private industry groups have been vital for

many to survive, as well as businesses adapting with curb-side pickups, drive-thru service and outdoor dining," Lindgren said.

Garcia notes that Laredo is not unique in losing various retailers this year. For example the Disney Store

announced their closure not just in Laredo but all over the country. This shows how dire the situation is statewide and nationally too, he said. Then there are other stores such as JCPenney which have announced various closures around the country but not yet in Laredo. Plus, two new retailers, America's Best and Bath & Body Works, announced Thursday that they are opening on Laredo's north side, he notes.

Discount stores have been among the best performers during the pandemic and helped to keep Laredo's retail economy alive, Garcia said.

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those stores in Laredo and other places around the country have a really strong market. And as you know Laredo loves discounted retail, and we are all over," Garcia said. "We have seen all those stores doing very well in terms of the market they serve, especially the medium- to lower-income population."

And as more people invested in their homes this year, stores such as Home Depot, Lowe's, Target and Wal-Mart have also done well, he said.

Hobby constructor Edgar de Leon is among the Laredoans who shopped at stores like Home Depot more than ever this year.

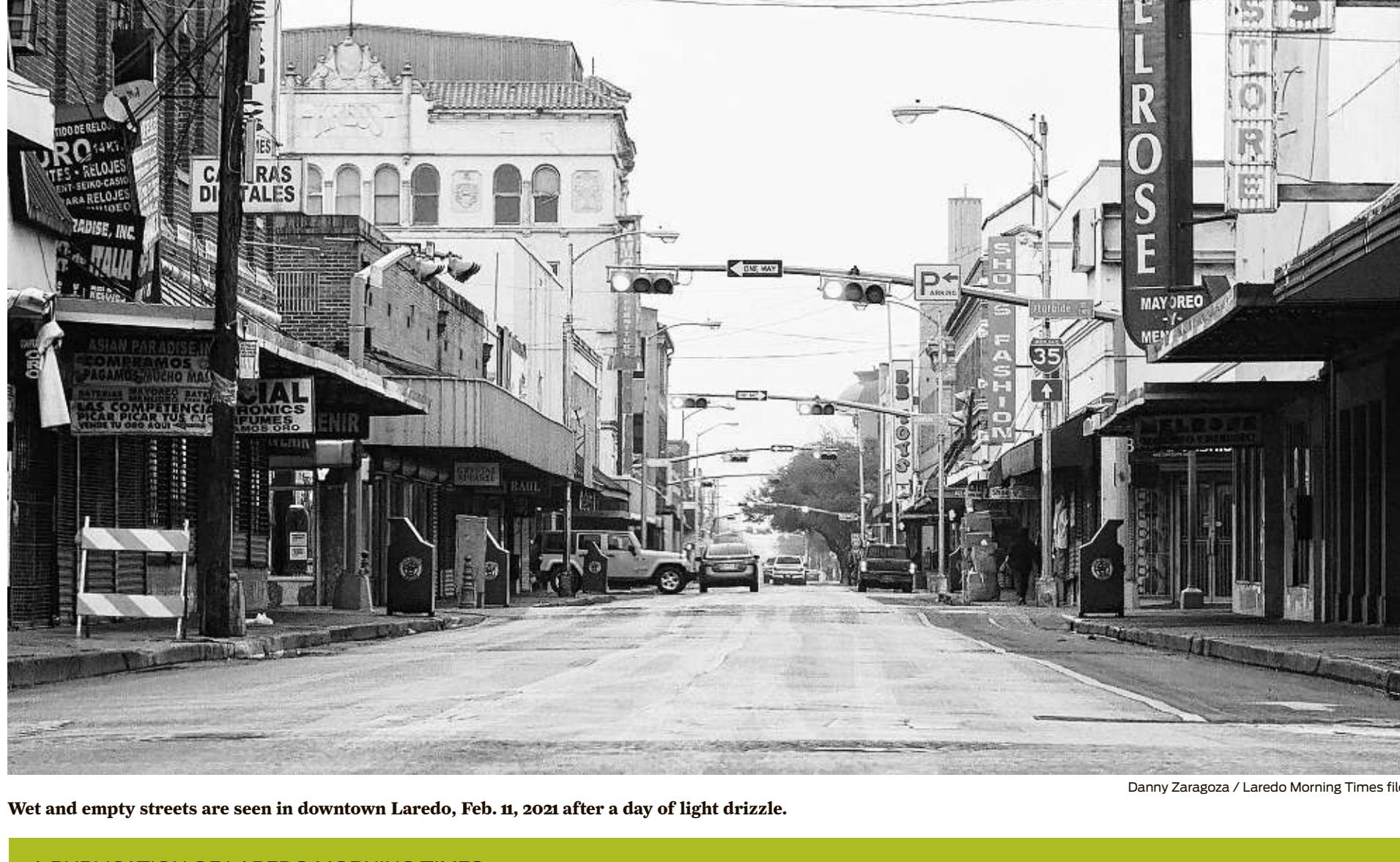
"Thanks to the working from home conditions that we got into, I was able to spend more time at home and saved money to buy more things for my home and build on it," De Leon said.

He believes the winter storm that affected the city last month also helped stores like these. De Leon said he has never seen so many people going to buy equipment for home repairs and protection.

All of these factors helped Laredo's retail economy survive during one of its most challenging periods, Garcia said.

"We are just lucky that our retail numbers did not go down 20 percent or more, and that we have been pretty resilient here in terms of our retail traffic. But we do have some work to do," Garcia said. "Retail is now up and down not just in Laredo but nationally; it is expected to get better ... but that is going to be a process. People first have to feel safe to go out."

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Danny Zaragoza / Laredo Morning Times file

Wet and empty streets are seen in downtown Laredo, Feb. 11, 2021 after a day of light drizzle.

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