



Come home to

HARLINGEN

Harlingen Economic Development Corporation

2014 ANNUAL REPORT

Table of CONTENTS

Letter from the Chairman	3
Letter from the Chief Executive Officer	4
Making it Happen	5
Top Stories - Palms Behavioral Health	6
Top Stories - Qualfon	7
Harlingen Rankings	8
New Business Recruitment	10
Marketing Activites	12
Balance Sheet	14



Letter from **THE CHAIRMAN**

IT IS SAID THAT IMITATION IS THE BEST FORM OF FLATTERY. In the two years since we started advertising a simple slogan, “Come Home to Harlingen”, we have seen at least two other Valley businesses begin using the “Come Home” slogan. In our campaign, we talk about coming home to the most affordable community in the United States. We also talk about coming home to the city with easy access to over 1.1 million people within a 45 minute drive. We talk about coming home to the Valley International Airport, the only regional airport with runways measuring over 8,000 feet long. We ask people to consider coming home to one of the safest communities, not just in the Rio Grande Valley, but along the entire US/Mexico border. We ask businesses to come home to hundreds of acres of fully-entitled industrial property within a few miles from two interstates, an international bridge crossing, and a shallow-water port which is part of the Inter-coastal Waterway. We talk about coming home to the new University of Texas Rio Grande Valley School of Medicine here in Harlingen, and soon to have a sister facility in nearby Edinburg.

The Come Home to Harlingen campaign is our soft sell to expose our quality of life, great accessibility fabulous and young workforce, educational facilities, and more to those who wish to be in a place where their business is special and they feel, well, at home.

It is my sincere hope that as one peruses through the annual report, you’ll be able to see that the Board of Directors and staff of the Harlingen Economic Development Corporation are trying to bring change to the community in the form of new investments and new higher paying jobs. That is our primary goal and the impetus for our work. Our challenge is to find those companies that share in our view that Harlingen can be made better with more education and by paying a fair wage, not just the most cost effective one. If you are one of those companies, then by all means, Come Home... To Harlingen.

ROBERT B. DUNKIN
Board President



THE HARLINGEN EDC *serves as the primary spark plug for economic development engine in Harlingen.*

AS A GENERAL RULE, THE RECRUITMENT AND retention of “primary jobs” in our community remains critical in our effort to facilitate the creation of wealth. Primary jobs are usually defined as those jobs created by employers that sell their goods or services outside the community. This results in new money brought into the local economy. New money is then circulated within the community; and thus, additional jobs, tax revenue and economic activity are generated. Employers in this sector are generally in the manufacturing, distribution, administrative/back office, and research and development sectors. They typically pay higher wages than most companies in the tertiary sector of the local economy.

A second process by which the HEDC seeks to create wealth in Harlingen is through its support of business growth, innovation, and entrepreneurship. As an organization that is dedicated to Harlingen and its people, we leverage partnerships between the public and private sectors in order to drive growth, create jobs, and improve the quality of life. Over the last few years,

Harlingen invested heavily in large scale retail developments across town. New retailers generate property and sales tax revenue for the city and add to the general fund. In addition, new retailers help retain money or prevent “leakage” that would generally leave our community. Retailers such as Burlington Coat Factory and Sam’s Club, in addition to new residential apartments, hotels, and restaurants all chose to make Harlingen their home in 2014. These retail developments come in because of the growth in the other sectors, especially in healthcare. Valley Baptist Medical Center was awarded the State Enterprise Zone Project designation for an expansion. Strategic Behavioral Health also earned that designation this past year from the Governor’s Office of Economic Development & Tourism and the State Comptroller. The developments and projects undertaken in 2014 will benefit the community for many years to come.

RAUDEL GARZA
Chief Executive Officer

MAKING IT *happen*

BOARD OF DIRECTORS



PRESIDENT
Robert B. Dunkin
Texas Community Bank
Senior Vice President



VICE PRESIDENT
Michael Lamon
Texas Regional Bank
Market President and
Chief Credit Officer



TREASURER
Lupita Gutierrez-Garza
Southern Commercial
Real Estate Group
Broker/Owner



SECRETARY
Rick Ledesma
Data Logic Software
Chief Executive Officer



BOARD MEMBER
Dr. Gilbert J. Leal
Texas State Technical College
President Emeritus

HARLINGEN EDC STAFF



**CHIEF EXECUTIVE
OFFICER**
Raudel Garza



OFFICE MANAGER
MaryAnn Villarreal



**INDUSTRIAL RECRUITMENT/
RETENTION MANAGER**
Ramiro Aleman, Jr.



**COMMERCIAL RECRUITMENT/
RETENTION MANAGER &
MARKETING DIRECTOR**
Lyle Garza

 Top Stories



PALMS BEHAVIORAL Health

A 94-BED PSYCHIATRIC HOSPITAL UNDER MANAGEMENT BY STRATEGIC BEHAVIORAL HEALTH, LLC BROKE GROUND IN 2014.

The announcement of Harlingen’s Top Story was made by Mayor Chris Boswell at a news conference early in 2014. The \$12 million healthcare facility, named Palms Behavioral Health, will strengthen Harlingen’s prominent position in the healthcare industry which includes a cluster of nationally recognized facilities and specialists. The new hospital planned at the intersection of Hale Avenue and Victoria Lane will make mental health care more easily accessible to residents in Cameron, Willacy and Hidalgo Counties.

“Our health industry cluster in Harlingen will be a valuable resource for the medical school that will open with the new University of Texas Rio Grande Valley,” Boswell said. “High paying jobs for professionals is one aspect of the new hospital that makes this a great project to advance our community’s economic base.”

Raudel Garza, chief executive officer of the Harlingen Economic Development Corporation, said Strategic Behavioral Health (SBH) plans to aid patients of all ages seeking mental and behavioral health services.

SBH contacted the Harlingen EDC in February 2014 after performing a preliminary site search analysis which included reviewing over 100 markets with populations of at least 300,000 residents. That analysis showed South Texas as a favorable market. The EDC assisted SBH in narrowing the search in South Texas down to the site in Harlingen. Construction began in late 2014 and should be completed by late 2015.

Strategic Behavioral Health will expand the employment base and private investment in Harlingen, Garza said. Projected employment within three years for Strategic Behavioral Health in Harlingen is 200 to 225 employees with salaries ranging from \$10 per hour to more than \$60,000 annually for registered nurses, managers and directors.

The parent company is based in Memphis, Tenn., and operates seven psychiatric hospitals through subsidiaries in Colorado, Nevada, New Mexico and North Carolina. A new psychiatric hospital in College Station opened in April 2014.

Bob Dunkin, chairman of the EDC board, complimented the local and regional government and business partners that offer ongoing support to promote economic progress. He concluded, “This community makes things happen and gets things done.”

In Their Words

- “We drew a map around Harlingen and saw a lack of inpatient psychiatric hospital beds. We came to the community and starting asking folks and the response was tremendous. We found a need for over 100 beds,” said SBH President, Jim Shaheen
- Shaheen singled out Harlingen Mayor Chris Boswell, Harlingen Economic Development Corporation CEO Raudel Garza and the local healthcare community for praise.
- “Our team has recognized the need for inpatient and outpatient behavioral health services in South Texas and we are excited to expand our reach to the southern part of the state. As soon as we explained what we wanted to do they were very welcoming, both from the economic development and the city council, especially the healthcare community. We met with the hospitals. We met with the emergency rooms. They were all very welcoming. We just feel very blessed. We feel like this project will do very well with this community.”

Source:

www.riograndeguardian.com/hospital-group-praises--harlingens--progressive-leaders/

 Top Stories

HARLINGEN ATTRACTS NEW EMPLOYER AND UP TO 1000 NEW JOBS

New Qualfon Contact Center Opens in 2015



THE HARLINGEN ECONOMIC DEVELOPMENT CORPORATION ANNOUNCED IN APRIL OF 2014 THAT QUALFON, A LEADING GLOBAL BUSINESS PROCESS OUTSOURCING (BPO) AND CALL CENTER SERVICE PROVIDER FROM MEXICO CITY, MEXICO WILL BE OPENING A NEW CONTACT CENTER LOCATED AT 2200 HAINE DRIVE IN HARLINGEN.

Qualfon is expected to hire 200 workers during the first year of operation, with at least 400 employees within three years.

The 600-seat contact center occupies a two-story building located just off N. Ed Carey Drive and will employ up to 1,000 people at full capacity. Qualfon expects to offer a variety of job opportunities in the areas of customer care, tech support, sales,

customer retention programs, as well as back-office services. “Harlingen is the ideal location for our newest world-class facility because of its economic strengths, its 335,000 residents in the immediate area, and its high-caliber workforce,” said Mike Marrow, Qualfon CEO. “The Harlingen area offers a large student population (more than 30,000 students) and a high percentage of bilinguals, enabling Qualfon to provide services in Spanish as well as English.”

“Harlingen has been cited as one of the best, least expensive places to live in the USA,” added Marrow. “We think it is terrific that we can offer meaningful jobs in a great place to live. That goes a long ways towards supporting our mission to Be the Best BPO and Make People’s Lives Better.”

Dr. Gilbert Leal, a member of the HEDC Board said, “We are excited to have Qualfon here in Harlingen. Cameron County has some excess capacity in terms of call center employees. People who were working in other call centers nearby can now apply for a job in Harlingen.”

Qualfon has already hired a new director to oversee its Harlingen operation. Kevin Kavanaugh was appointed to the role of Site Director for Harlingen in June of 2014.

Site Selection Group, a location advisory and economic incentives firm, represented Qualfon in their search for a new site. Harlingen EDC’s CEO Raudel Garza said, “We have very good relationships with site selection consultants throughout the US. Site Selection Group represents high-caliber clients with substantial economic impact locally and we couldn’t be happier with the work they do.”

CURRENT EMPLOYMENT COUNT IN HARLINGEN CALL CENTERS - FEB 2015

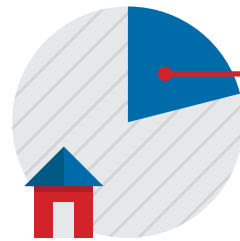
EMPLOYERS	NUMBER OF EMPLOYEES
QUALFON	160 UP TO 1,000
DISH NETWORK	883
ACCT <small>ADVANCED CALL CENTER TECHNOLOGIES</small>	616
UNITED HEALTHCARE	560
TIME WARNER CABLE	50



Harlingen Rankings

HARLINGEN CONTINUES TO *Rank Highly* ON SEVERAL FACTORS THAT IMPACT GROWTH AND DEVELOPMENT.

> IN JANUARY OF 2015, HARLINGEN WAS NAMED THE MOST AFFORDABLE CITY IN THE UNITED STATES ACCORDING TO THE COUNCIL FOR COMMUNITY AND ECONOMIC RESEARCH (C2ER). Harlingen ranked nearly 20% below the national average in cost of living. This includes cities like Chicago, San Diego, San Antonio, Dallas and Houston. This is the fifth (5th) year in a row that Harlingen wins this honor. Many people are discovering the City of Harlingen, not only as the center of the Rio Grande Valley, but a great place to own a business, shop, and raise a family as well.



Harlingen ranked nearly

20%

BELOW THE NATIONAL AVERAGE IN COST OF LIVING

> ACCORDING TO THE STATE COMPTROLLER'S OFFICE, HARLINGEN ONCE AGAIN REPORTED AN INCREASE FROM THE PREVIOUS YEAR IN SALES TAX COLLECTIONS. For fiscal year 2013/2014, Harlingen collected \$21,325,683 in sales taxes. This amounted to over \$1 billion in taxable goods sold in Harlingen. McAllen and Brownsville, both twice the size of Harlingen, were the only cities to collect more sales taxes in the Rio Grande Valley for the same fiscal year. Much of this growth was attributed to the burgeoning retail sector in west Harlingen that in the last year celebrated openings by Sam's Club, Kirkland's, Ulta, Melrose and Popeye's.



\$21 MILLION

WAS COLLECTED IN SALES TAXES BY THE CITY OF HARLINGEN.



Over

\$1 BILLION

IN TAXABLE GOODS WERE SOLD IN HARLINGEN.

Harlingen Rankings

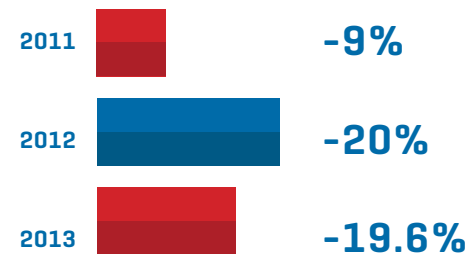
>CRIME IN HARLINGEN DECREASED BY OVER 22% from the previous year according to the Harlingen Police Department’s annual crime report released in January of 2015. This marked the fourth consecutive year that police statistics show a reduction in crime. Previous reports showed that crime dropped 9% in 2011, 20% in 2012, and 19.6% in 2013. The report included murder, rape, robbery, assaults, burglaries, larceny, and motor vehicle thefts and is submitted to the Federal Bureau of Investigation. 2014 was also a year without a homicide in Harlingen.

>AS FIRST REPORTED IN THE 2013 EDC ANNUAL REPORT, Harlingen has pursued and now attained a site certification designation for large industrial parks from McCallum Sweeney, one of the country’s premier site selection consulting firms. The newly named Harlingen Aerotropolis at Valley International Airport consists of 479 acres available to the east of the Valley International Airport and has all the necessary infrastructure to accommodate large industrial projects. This lengthy process was finalized in the second quarter of 2015 and means that Harlingen joins the short list of less than 20 sites across the country certified as Shovel Ready by the prestigious site selection consulting firm.

>THE HARLINGEN EDC COMMISSIONED THE ACCESSIBILITY AUTHORITY AT THE UNIVERSITY OF MINNESOTA TO COMPLETE AN ACCESSIBILITY AND TRAVEL TIME ANALYSIS IN 2014. The report concluded that there are over 1,113,550 people living in the U.S. within a 45-minute commute of Harlingen. The results indicate that Harlingen provides the greatest accessibility of all cities in the Rio Grande Valley for both the general population and student population within the travel threshold. Harlingen’s centralized location within the Rio Grande Valley makes it an ideal location for new businesses, residents, students, and visitors alike.

-22%
REDUCTION
OF MAJOR CRIMES IN HARLINGEN
COMPARED TO PREVIOUS YEARS

CRIME RATE DROPS IN HARLINGEN
THROUGH THE YEARS



1,113,550
PEOPLE LIVE WITHIN A
45-MINUTE COMMUTE OF
HARLINGEN

NEW BUSINESS *Recruitment*



DR. PENA

Dr. Raul “Raulito” Peña of the Peña Eye Institute provides blade-free LASIK laser eye surgery to the entire Rio Grande Valley. He also performs other types of refractive surgeries for patients who wish to reduce their dependence on glasses and contact lenses. Dr. Pena opened his Harlingen office, located at 1300 Ed Carey Drive in December of 2014.

CRACKER BARREL

The 8,900-square-foot restaurant is the 49th store in Texas and employs about 200 workers, who are all from the Harlingen and surrounding area according to management. It opened in June of 2014.



SCHOOL OF HEALTH PROFESSIONS

In the fall of 2014, HCISD opened its School of Health Professions. The new campus features a curriculum geared towards placing students on career paths for medical professions, including doctors, nurses, and medical technicians. The school will serve 500-600 students in proposed grades 8 - 12. To narrow their medical focus, students will have the opportunity to choose from one of six areas of medicine to study.



RESIDENCE INN BY MARRIOTT

The Residence Inn by Marriott opened at the end of 2014 at Cameron Crossing – adjacent to the Bass Pro Shop in Harlingen. It offers 92 spacious studio & one-bedroom suites with separate living and sleeping areas and a fully equipped kitchen ready for your favorite cuisine.



CANDLEWOOD SUITES

The 72 room Candlewood Suites opened its doors in December 2014. Located along I-69E, less than 2 miles from the medical district, this hotel offers all the amenities of home, with over 5,000 square feet of meeting space available.



MARKETING *Activities*



THE HARLINGEN EDC REACHES OUT TO *The World...*

PRINT, RADIO, & TELEVISION

- > Valley Business Report
- > T.V. Azteca Mexico
- > Business Expansion Journal
- > Xpansion Solutions Magazine
- > Shopping Center Texas Magazine
- > RGV Partnership Relocation Guide
- > Radio advertising on 710 AM KURV

WEB & SOCIAL MEDIA

- > Facebook
- > Twitter
- > LinkedIn
- > Corenet website
- > Electronic Newsletters
- > Rio Grande Guardian Website
- > Harlingen Economic Development Corporation website
- > Industrial Asset Management Council website (IAMC)
- > International Economic Development Council website

TRADE SHOWS, CONFERENCES, & SPEAKING ENGAGEMENTS

- > United Fresh - Chicago
- > Rotary Club
- > Fab Tech - Atlanta
- > Real Estate Associations
- > Pack Expo - Las Vegas
- > Plastec West - Anaheim
- > Great American Truck Show (GATS)
- > Center for Border Economic Studies
- > Asociación de Empresarios Mexicanos (AEM)
- > Texas International Produce Association (TIPA)
- > Matamoros Economic Development Committee (CODEM)
- > Produce Marketing Association (PMA) - Anaheim
- > Rio Grande Valley Economic Development Forum
- > Texas Economic Development Council Annual Conference
- > International Council of Shopping Center - Texas Deal Making Show
- > Texas Healthcare and Bioscience Institute -LEAD Texas
- > International Economic Development Council - Annual Conference
- > International Council of Shopping Centers - National Furniture Mart
- > Institute of Food Technologists - New Orleans
- > Bi-National Economic Development - Washington D.C. Conference (BiNED)
- > Medical Design and Manufacturing (MD&M-West) - Anaheim

BALANCE *Sheet*

City Of Harlingen
 Development Corporation Of Harlingen, Inc.
 As Of September 30, 2014

ASSETS	CURRENT YR September 30, 2014	PRIOR YR September 30, 2013
Cash	\$3,269,968	\$3,309,607
Investments- BPS Escrow Trust	0	9,508
Receivables, accounts- State Comptroller/Other	324,043	312,382
Receivables, accounts- Other	67,415	155,468
Receivables - Interfund TIFRZ No. 3	646,416	716,416
Prepaid Expense	3,791	126,398
Loans Receivable	368,411	500,421
Land - Bass Pro Shops	4,187,758	4,187,758
Buildings & Improvements	36,698,765	36,606,446
TOTAL ASSETS	45,566,568	45,924,403

Liabilities & Fund Balance

LIABILITIES

+ Accounts Payable - Other	\$23,356	134,639
+ Accrued Salaries Payable	7,262	5,670
<i>Due - General Fund</i>		
- City Services Reimb.	0	0
- Professional Services	0	0
- Other	53,000	7,321
<i>Due - In Current Year</i>		
- Frost Bank Loan	0	0
- Bonds Payable- BPS	0	0

DEFERRED REVENUES

+ Loans	368,411	500,421
+ Other - TIFRZ No. 3	646,416	716,416

LONG TERM PAYABLE

- BPS Land	4,431,205	4,431,205
- Frost Bank Loan	2,990,000	3,350,000

BONDS PAYABLE

- BPS Land	30,180,000	31,215,000
------------------	------------------	------------

TOTAL LIABILITIES	38,699,649	40,360,672
--------------------------------	-------------------------	-------------------

FUND BALANCE

+ Designated Reserve	2,000,000	2,000,000
+ Unencumbered Fund Balance	1,269,969	1,309,607
+ Non Cash Fund Balance	3,596,950	2,254,124

TOTAL FUND BALANCE	6,866,919	5,563,731
---------------------------------	------------------------	------------------

TOTAL LIABILITIES AND FUND BALANCE

45,566,568

45,924,403



RAUDEL GARZA (956) 216-5085 | rgarza@harlingenedc.com

LYLE GARZA (956) 216-5086 | lgarza@harlingenedc.com

RAMIRO ALEMAN (956) 216-5084 | raleman@harlingenedc.com

Come Home to Harlingen

**HARLINGEN HAS EXCESS CAPACITY,
INCLUDING MILLIONS OF GALLONS OF
WATER DAILY.**

**LOOKING FOR A BETTER PLACE TO DO BUSINESS?
COME HOME...TO *Harlingen!***

2424 Boxwood St. | Suite 125 | Harlingen, Texas 78550

www.harlingenedc.com