

# Edinburg's Economic Report

INFORMATION :: INSIGHT :: ANALYSIS

Cover Story: ICSC - Texas Conference  
and Deal Making - October, 2007 - San Antonio, TX

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Edinburg Economic  
Development Corporation

602 W. University Drive  
Edinburg, Texas 78539

# Executive Director's Report



Being proactive in recruiting retail and making your community a more attractive place for retailers to locate is very important for every city. By growing our local sales tax revenues, which come direct from having more retailers locate in our city, we are able to generate and stimulate economic growth by assessing the community's needs, developing plans to meet those needs, coordinating community development efforts and supporting activities which in turn, enhance the quality of life in our community by providing more services to our residents.

Retail is an essential part of a community's economic health and vitality. As America's economy has grown, demand for more retail and dining choices have grown to enhance the quality of our lives. As a result, we have incorporated retail attraction into our economic development plan because retail broadens and diversifies tax revenues, increases employment, satisfies residents' desires to shop at home, revitalizes commercial corridors, and improves your ability to attract and keep other businesses.

Thus, retail attraction and retention is a critical component of economic development efforts. The EEDC is creating a healthy community for retail development and for retention and expansion of existing business that create new jobs in our community.

With this in mind, this month we hosted our first quarterly Commercial Real Estate Roundtable event. We selected International Council of Shopping Centers 2007 as our main topic of discussion. The roundtable was held on October 4th at the Edinburg Depot and it was a great success with participants representing more than 20 different organizations. The roundtable was a way to connect realtors and community leaders and to learn more about the commercial development projects taking place in the city. The EEDC participated in the International Council of Shopping Centers (ICSC) forum in San Antonio on October 11-12.

This issue of our newsletter will give you a broader perspective of what is happening or about to happen in Edinburg.

Regards,

Ramiro Garza, Jr.  
Executive Director



## *Business Attraction*

### COMMUNITY ASSESSMENT

The Edinburg Economic Development Corporation participated in the ICSC forum at the Henry B. Gonzalez Convention Center in San Antonio on October 10-12. The International Council of Shopping Centers is the global trade association of the shopping center industry. Shopping center owners, developers, managers, marketing specialists, investors, lenders, retailers and other professionals as well as academics and public officials will be present at this regional forum. ICSC will focus on new and expanding retailers and what their business and expansion plans are for Texas and the South Central States. ICSC will also feature retailers of interests from just about every type of project including lifestyle centers, power centers, and enclosed malls.

The principal aims of ICSC are to advance the development of the shopping center industry and to establish the individual shopping center as a major institution in the community through a number of key initiatives.

Many real estate and commercial developers from Edinburg and South Texas attended the San Antonio session. "Due to the high interest in the commercial development industry we have received quite a bit of calls for information. We seem to work quite a bit with a lot of different professionals in the real estate industry, which are developing in Edinburg," stated Ramiro Garza, Executive Director for the Edinburg Economic Development Corporation. "But there are so many things that are changing rapidly, we felt we needed to bring everyone together, not only on ongoing projects, but on the date that is being made available. This allows us to share the information we have, while at the same time get information and feedback in a rather expedient manner."



Source: <http://www.sanjose.com/shops/gifts/santana-row-shoppers.jpg>

## Did You Know?...

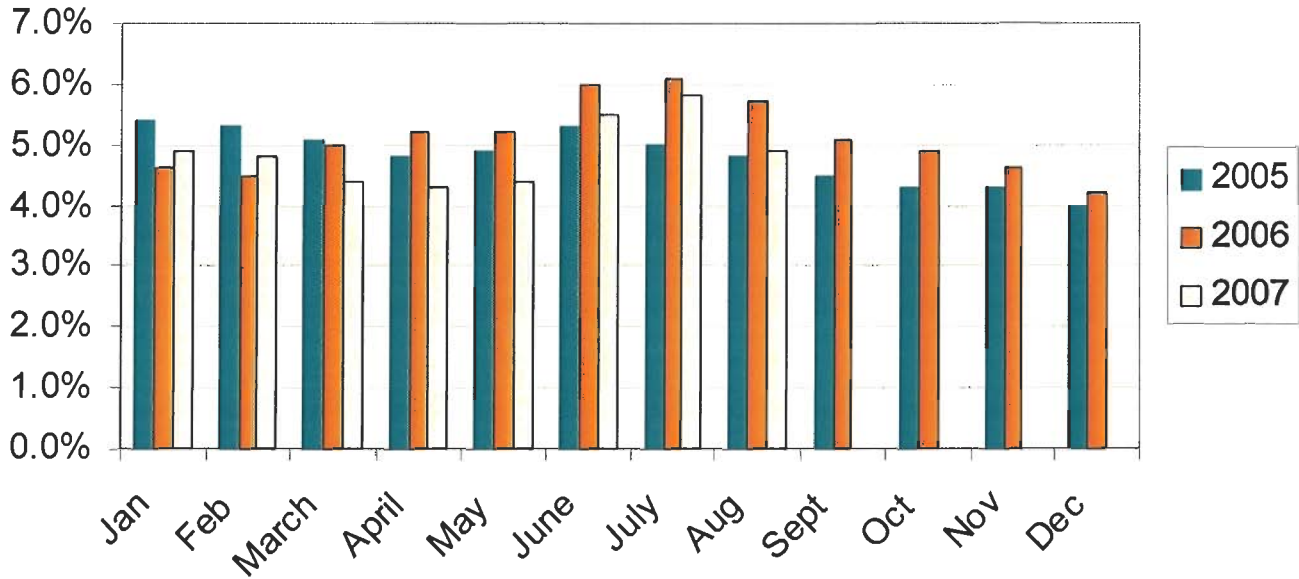
September sales grew 1.7 percent on a year-over-year comparison at U.S. chain stores, according to ICSC's index?

Abnormally warm weather negatively impacted apparel sales during the period, says Michael P. Niemira, ICSC's chief economist and director of research. "Despite a softer September reading, the consumer spending pace has not fundamentally changed since February," Niemira said. "Overall, the fiscal year-to-date reading, at 2.3 percent, has seen a considerable drop since last year's 3.6 percent. We expect to see much of the same for the foreseeable future."

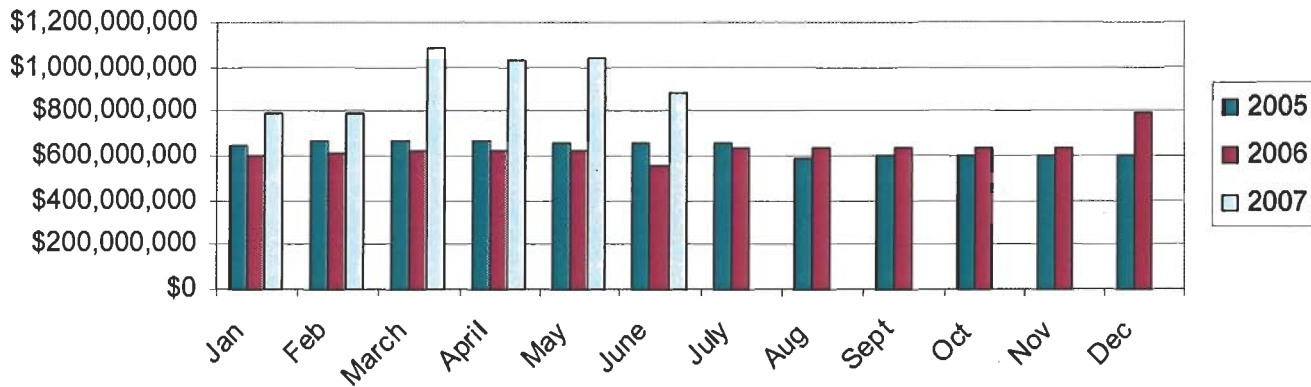
*Compiled by the staff of Shopping Centers Today. © October 11, 2007 International Council of Shopping Centers.*

# Economic Indicators

## City of Edinburg Unemployment Rate

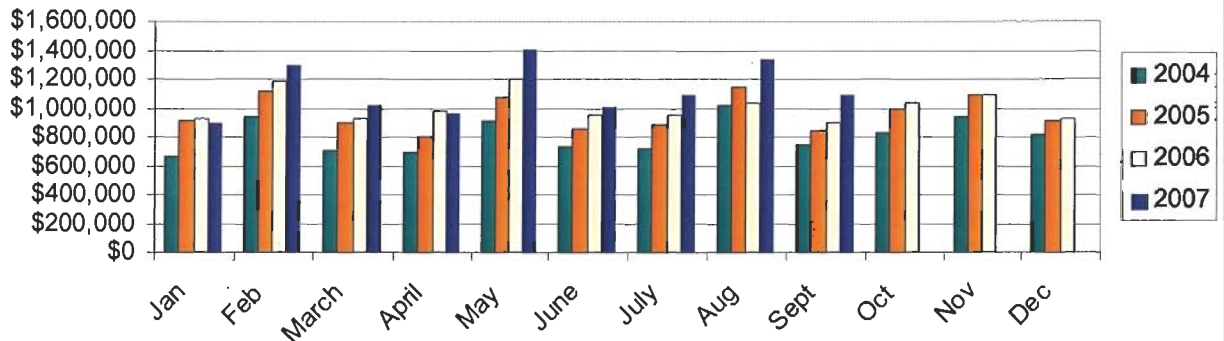


## City of Edinburg Bank Deposits

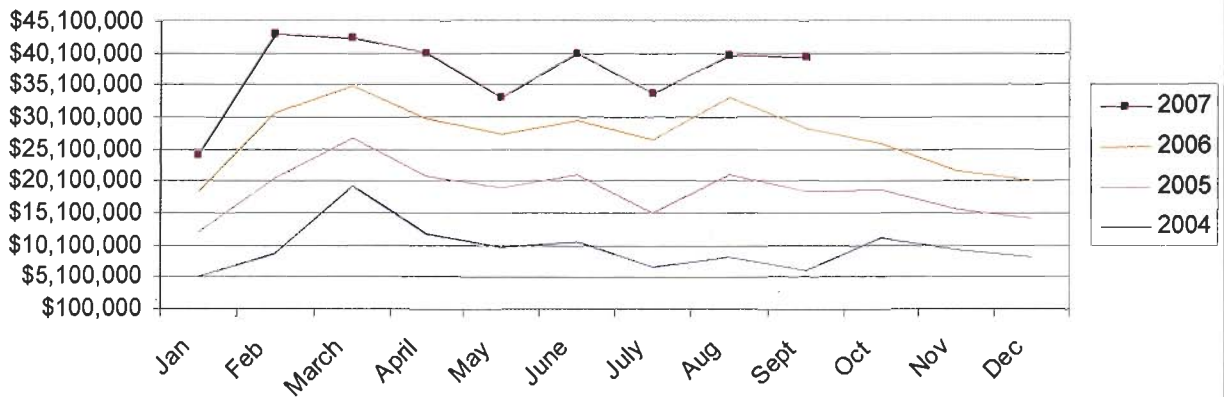


### City of Edinburg Local Sales Tax

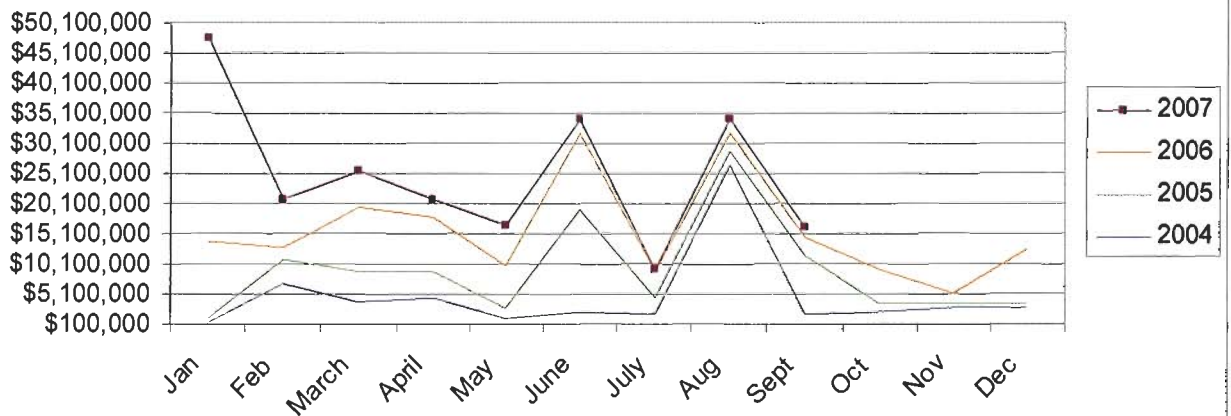
\*FY '05-'06 YTD % Increase from '04-05: 10%



### City of Edinburg Residential Building Permits



### City of Edinburg Commercial Building Permits



## Edinburg Economic Development Corporation's Commercial Real Estate Roundtable by EEDC Staff



### *Real Estate Roundtable*

Edinburg Economic Development Corporation's Commercial Real Estate Roundtable was a success! For our first quarterly Commercial Real Estate Roundtable event, we selected International Council of Shopping Centers 2007 as our main topic of discussion. The roundtable was held on October 4th at the Edinburg Depot located at 602 W. University Drive, Edinburg, Texas. Representatives from over 20 organizations were present, including Rio Valley Realty, NAI Rio Grande Valley, RRR Development, Horizon Properties, among others. Mr. Ramiro Garza, Executive Director for the Edinburg Economic Development Corporation (EEDC) opened the roundtable discussion with a presentation focusing on the

city's economic indicators, the Buxton retail study, and commercial developments throughout the city. After some discussion, representatives mentioned some of their concerns or ideas on how to improve the dissemination of information such as retail / office space available and demographics. There was also discussion about current and proposed road improvement projects - in particular those on Sugar & Trenton roads. Many people expressed an interest in focusing on road improvement / infrastructure projects at our Spring 2008 Roundtable.

TOPIC: ICSC 2007 - San Antonio, TX

## Historic Leader Opens Distinguished Speakers Series By Josue D. Esparza

### Mikhail Gorbachev visits Edinburg, TX

The University of Texas-Pan American kicked off this year's Distinguished Speaker Series with former president of the Soviet Union and Nobel Peace Prize winner Mikhail Gorbachev Thursday, Oct. 9 at the Fine Arts Auditorium. Students, faculty, staff, and the general public packed the auditorium for an opportunity to hear from the historic leader, who discussed topics from the dissolution of the Soviet Union to globalization. The audience also participated in a question and answer session with Gorbachev during the free event. The Distinguished Speakers Series is funded by student fees with the goal of bringing prestigious speakers to educate and inspire students. The series continues next month with Robert F. Kennedy Jr., one of Time Magazine's "Heroes of The Planet", who will be speaking Nov. 14 at the Fine Arts Auditorium. For more information on the series, call 956/316-7989.



Source: Josue D. Esparza, Photographer

# Lacks Furniture Returns to Edinburg - 46,000-sq. ft. Showroom

By David Diaz

New investment project in the city

## Retail Recruitment

46,000 square-foot facility

An Edinburg fixture in fine home furnishings for decades until they closed about three years ago, Valley-based Lacks Valley Stores, Ltd. returned in grand style on Saturday, October 13, celebrating the opening of its \$3.5 million, 46,000-square-foot showroom with a gala ribbon cutting at the Fairhaven commercial subdivision in the three-time All-America City.

The newest Lacks, which represents the 11th store in its retail system, features the latest in home furnishings, accessories, appliances and electronics. It has 20 employees on its payroll.

It is located near the intersection of Canton Road and the frontage road of North U.S. Expressway 281. Lee Aaronson, president and chief executive officer of Lacks, told a 10 a.m. gathering of more than 100 people that he was glad that he and his store were back in Edinburg.

"We have been out of Edinburg since November 2004, and we hated to leave Edinburg – it is a very special city," Aaronson said. "Our business has been in the Valley since 1935, and we had been in Edinburg for most of those years. But at one point, we realized that the store in Edinburg wasn't as nice as the City of Edinburg, and we had to get another location that would be the kind of store that would benefit this beautiful city. We hope that we have brought that to you at this point." Mayor Joe Ochoa and Mayor Pro Tem Alma Garza, along with Ramiro Garza, executive director for the Edinburg Economic Development Corporation, were among the dignitaries who attended the grand opening celebration, which marked the first day the store was open for business.



Photo taken by David Diaz

Ochoa said that economic data compiled by the EEDC had encouraged leaders of Lacks to make their return to the city.

"I was just talking to management a little while ago, and I told them I was very impressed with the fact that we have just come up with a study for this area, and had asked citizens what they would like to see in this particular development area," Ochoa said. "One of the top five developments was this development."

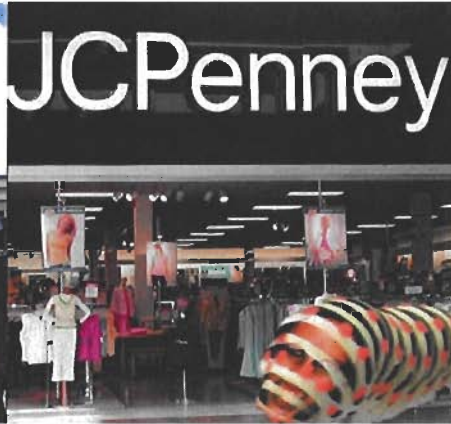
The EEDC is the jobs-creation arm of the Edinburg City Council. Its five-member governing board includes Ochoa, along with former Mayor Richard García, who serves as board president, along with Fred Palacios, Mike Govind, and Dr. Glen E. Martínez, Ph.D.

Kris Karr, advertising director for Lacks, echoed the sentiments of both Ochoa and Aaronson. "We are just happy to be back in Edinburg to serve the community. I think we were needed in that area since there is so much growth in Edinburg," Karr said. "We are always looking to expand, and Edinburg was definitely one of the cities we had targeted. It seems to be a booming city."

# THE BUXTON REPORT

## Success Stories in Retail Recruitment

### Case Study: Texas Border City Finds Itself in the Retail Spotlight



Why would retailers want to operate in Edinburg, Texas, when the retail-rich city of McAllen is only minutes away? The answer is that Edinburg can prove its retail-worthiness, thanks to Buxton. Just a few years ago, Edinburg was struggling to get retailers to locate to the community of 49,000 people. But when Buxton performed a study that proved \$1.5 billion in untapped retail demand within a 10-minute drive time, things began to change. "This information is really changing the type of retailer we have here," says Ramiro Garza, Economic Development Director for the City of Edinburg. Not long ago, Wal-Mart opened a second super center, while Lowe's, Chili's, Applebee's and Denny's have opened first sites in the city. Since then, development has skyrocketed. A major regional shopping center—800,000 square feet in size—broke ground on August 2nd. This lifestyle center will be anchored by JC Penney, the Shoe Dept., and Burlington Coat Factory. Several other retailers have joined the project, but have not officially been announced.



Another mixed-used development is a 700-acre development that will include 1,300 homes and 150 acres of retail space.

Another retail site in development is the Alamo Draft House (combination restaurant and movie theater). All of this development has flipped Edinburg's usual construction activity statistics. Typically, the city experiences about 65 percent residential construction and 35 percent commercial. Now, commercial has taken the lead with 65 percent of development going to mainly retail construction.

A growing residential base, along with increasing numbers of Mexican nationals who cross the border to shop in Texas, has helped put Edinburg in the retail spotlight. "We realized we had a lot of untapped potential," Garza says. "The Buxton numbers have become a very effective tool for us to promote our city."

*Case Study: Texas Border City Finds Itself in the Retail Spotlight was reprinted from the Buxton Report ©Copyright 2007, Buxton. Co.*

## Bert Ogden Celebrates Fiesta Chevrolet's Grand Opening

By David Diaz

Business addition to the city

### *Business Retention & Expansion*

Edinburg area business, community, and political leaders all were on hand for the late afternoon celebration, held inside the 32,000 square-foot showroom, which is located on a six-acre site at the intersection of the Expressway 281 frontage road and Trenton Road. Company leaders have previously said that the new Fiesta Chevrolet - a \$2.5million project- will create 150 new jobs. "Fiesta Chevrolet occupies six acres of the 17-acre site. Eventually, three car dealerships, owned by Bert Ogden RGV, will be located on that site, and represent a private investment by Bert Ogden RGV of \$15 million", said Ramiro Garza, Executive Director of the Edinburg Economic Development Corporation.

"As a result of the incentives we preliminary offered, Bert Ogden RGV is considering expediting their investment in building the other facilities," said Garza. "The return for the city is

*Did You Know?...*

...that the McAllen-Edinburg-Mission MSA was ranked number 7 by the Milken Institute / Greenstreet Partners for Best Performing Cities in 2007?

The Index ranks U.S. metros based on their ability to create and sustain jobs. It includes both long-term (five years) and short-term (one year) measurements of employment and salary growth. There are also four measurements of technology output growth, which are included because of technology's crucial role in regional economic growth. This year's Index was sponsored by Greenstreet Real Estate Partners.

*Compiled by Ross DeVol, Armen Bedroussian, and Soojung Kim - Milken Institute / Greenstreet Partners  
Best Performing Cities 2007 - September 2007*



Photo taken by David Diaz

the development of that corridor. It will allow for further development along U.S. Highway 281. When we invest in certain areas, it helps not only that development, but opens up other developments along those corridors."

By helping generate new economic development, the EEDC is able to help keep the city's property tax rate from increasing, he added. "Our focus has been to help different commercial growth," Garza said. "By increasing our tax base we offset the need for the city to increase the tax rate. We make sure there is new tax base that results in less burden on taxpayers and the creation of more jobs."

# The University of Texas - Pan American

## *Small Business Development Center*

2412 S. Closner Blvd., Edinburg, TX 78539

**10/3 Basics in Business** - Learn about permits, licenses, etc. to get your business started. Recommended course for new clients. Fee: NONE. UTPA Annex, Edinburg. 2pm - 4pm

**10/9 The Art of Marketing Training Seminar (FREE)** - UTPA Annex - 2412 S. Closner Blvd.- 2pm - 4pm

**10/16 The Power of Business Planning** - Learn about the components of a business plan, a necessary tool for obtaining financing. Recommended for active clients. Fee: NONE. UTPA Annex, Edinburg. 6pm - 8pm.

**10/16 Salud y Seguridad en Bodegas de Acuerdo a OSHA Training Seminar (Fee: \$79/person)** - UTPA Annex - 2412 S. Closner Blvd. - 8:30AM - 5:00PM

**10/25 Basics in Business** - Learn about permits, licenses, etc. To get your business started. Recommended course for new clients. Fee: NONE. UTPA Annex, Edinburg. 2pm - 4pm

## How Can the SBDC Help?

The Small Business Development Center (SBDC) can help new and existing small business owners develop their management skills by providing technical assistance through free, confidential counseling in various business areas such as business planning, financing, management, marketing, advertising, and record keeping. In addition, the SBDC holds numerous workshops and seminars on business-related topics. These workshops are developed and presented to both existing and start-up businesses throughout the year for free or at a reasonable cost. They are designed to help small business owners and managers acquire the information that they need to make their business more successful. The SBDC works closely with the U.S. Small Business Administration and the Service Corp of Retired Executives (SCORE) to fulfill its mission.

For more information, contact the University of Texas-Pan American - UTPA Annex -  
2412 S. Closner, Edinburg, TX 78539  
(956) 292-7535

## Seminar & Training Activities

The SBDC Sponsors, promotes, and develops seminars on various aspects of small business development and management, including but not limited to:

1. Computer basics for small businesses
2. Business start-up workshop
3. Marketing / sales workshops
4. Tax planning and IRS compliance
5. Financial management
6. Accounting and bookkeeping
7. Small business management
8. Feasibility & market analysis workshop
9. Business on the Internet
10. Business planning



2412 S. Closner, Edinburg, TX 78539

## The Shoe Dept. to Join The Shoppes at Rio Grande Valley

### The Shoppes at Rio Grande Valley Update



Photo courtesy of: <http://www.shoeshow.com>

First Hartford Realty Corporation announced October 8 that Concord, NC based retailer, the SHOE DEPT., has signed on to join The Shoppes at Rio Grande Valley, currently under development in Edinburg. The 7,125 square-foot store marks the third location in the Rio Grande Valley for the company. The 1.1 million -square-foot shopping center located at Highway 281 and Trenton Road is projected to cost over \$80 million dollars and spans 130 acres. The official ground

breaking for the project took place August 2 and the grand opening is scheduled for Fall 2008.

"We are pleased to announce the addition of the SHOE DEPT, a leading national retailer carrying a wide variety of brand name footwear, to our merchandise mix," said Jay Show, Senior Vice President / Director of Leasing for First Hartford Realty Corporation.

Shoe Show, Inc., parent company of the SHOE DEPT., was founded by Robert B. Tucker, who opened the first Shoe Show 47 years ago. The company now has over 8,500 employees with locations in 36 states. Show Show, Inc., averages opening one store ever seven days. The chain boasts a total of 1,071 stores.

## Project Update

### Construction activities in Edinburg approach \$132 million through

August 2007 By David Diaz

#### Construction Activities

The value of construction activities in Edinburg from January through August 2007 almost reached \$132 million, with construction of new businesses leading the way at almost \$60 million, the Edinburg Economic Development Corporation has announced.

During the same period last year, total construction activities in Edinburg had reached more than \$143 million. The construction of new businesses between January and August 2006 totaled \$52 million.

For the month of August – the latest figures available from the city government – Edinburg generated more than \$8.8 million in total construction, compared with almost \$14.9 million in August 2006.



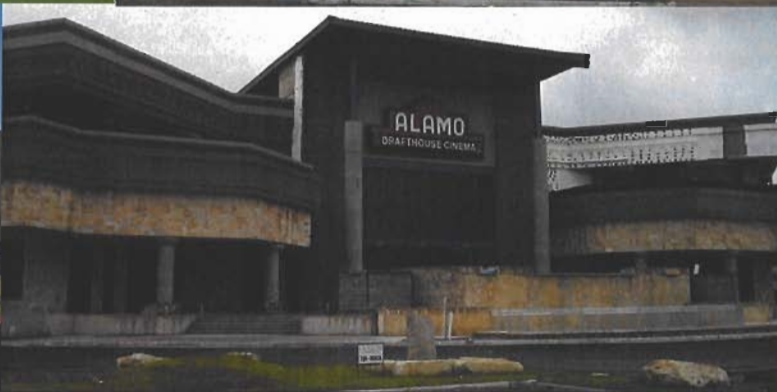
Source: <http://www.its.dof.gov/msaa/images>

# Edinburg Economic Development Corporation Board of Directors

Richard H. Garcia	President
Mike Govind	Vice-President
Fred Palacios	Secretary/Treasurer
Glenn A. Martinez	Director
Mayor Joe Ochoa	Director

## EEDC Staff

Ramiro Garza, Jr.	Executive Director
Nelda Ramirez	Assist. Executive Director
Leticia Reyes	Project Manager
Dalila Razo	Administrative Asst.



# Edinburg Economic Development Corporation

EEDC is a non-for-profit company and is responsible for economic development in the City of Edinburg. This newsletter is produced monthly to update the business community and stakeholders on EEDC's key initiatives.

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