

— Come Home To
HARLINGEN

Harlingen Economic
Development Corporation
2017 ANNUAL REPORT

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MARKETING ACTIVITIES

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MARKETING ACTIVITIES

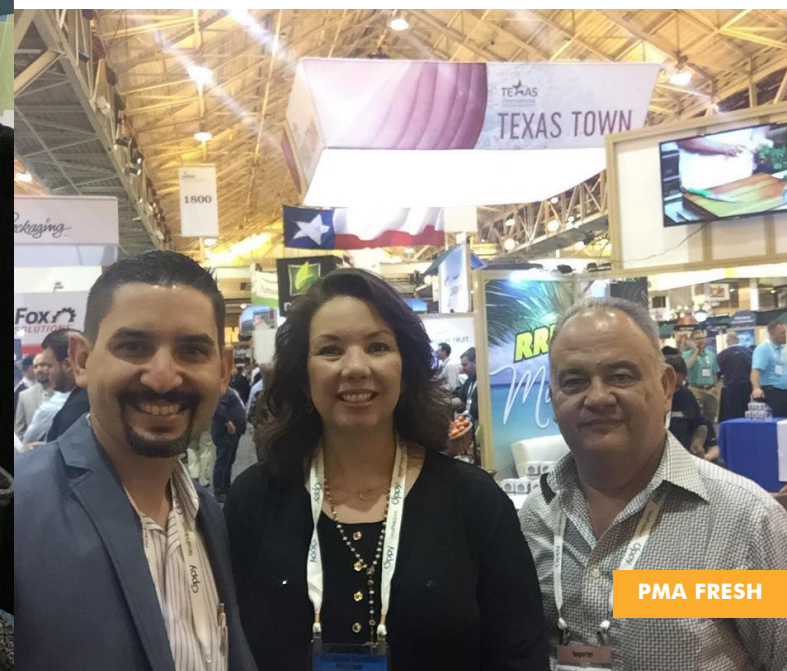
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FREE TRADE ALLIANCE



ICSC TEXAS CONFERENCE & DEAL MAKING



PMA FRESH



SPACECOM



HARLINGEN EXPANSION

2017 was a remarkable year for Harlingen and Cardone Industries Inc., who in early December announced their decision of an expansion of a massive \$50-million distribution facility. This will be the second Cardone distribution facility operating in Harlingen and the third in Cameron County. The company also established a brake caliper manufacturing center in Matamoros last year. The Philadelphia-based automotive manufacturing company will become the second-largest industrial building in Cameron County at 920,000 square feet. Creating 550 new jobs and when the facility is running full-bore, that number will rise to 750 jobs.

Although this success story is about an existing business expanding in Harlingen. It also expresses Harlingen's biggest benefit is being a central location in the lower Rio Grande Valley and its easy access to Mexico for logistics and distribution. Harlingen Mayor Chris Boswell believes Cardone's decision to site its new distribution facility in Harlingen's industrial park lays down a very visible marker for other major employers looking to expand or relocate. "Not only is it a great thing for this project itself, and the fact that there's going to be a huge construction benefit from with a vast long-term job creation benefit, but it also sends a message to others that this is a

great place to do business," Boswell said. "We've talked for a long time about Harlingen being an ideal site for logistics and distribution and this just sort of ices that argument," he added.

The Harlingen Economic Development Corp., which led the drive to land Cardone's new plant, always seems to be negotiating new projects for luring businesses to the city. HEDC CARDONE AGREEMENT?

The county also issued \$1.7 million in tax abatements for Cardone and its new distribution facility. Another benefit of locating in Harlingen which almost everyone could agree is a likely benefit of locating a distribution center in Harlingen is a vote that took place last year in 2016 by the Cameron County Commissioner's Court to exempt businesses from the freeport tax. Without this vote the Cardone decision to locate its distribution facility in Harlingen would not have occurred. The freeport tax imposes a levy on warehouse inventory which, in the case of Cardone and many others with distribution centers, is often a deal-breaker when it comes to locating a new facility. Freeport tax exemptions improves their chances of landing new businesses, or at least those with a major warehouse component.



COLD STORAGE INSPECTION FACILITY NOW AVAILABLE IN CAMERON COUNTY

On March 24, 2017 the City of Harlingen, Cameron County and the City of San Benito hosted a joint ground-breaking ceremony for a new cold storage inspection facility at the Free Trade International Bridge at Los Indios.

The project is the first of its kind in Cameron County and was designed to generate additional traffic through the Free Trade International Bridge, the port of entry with the shortest wait times for all commercial vehicles in south Texas.

"The new Mazatlan Matamoros super-highway is making it more efficient for

companies to ship their goods through our area," said Raudel Garza, Manager & CEO of the Harlingen EDC. "After speaking with several cold storage companies, it was decided that in order to help the produce industry grow, a cold room for inspection purposes was sorely needed. When we took the idea to the owners of the bridge, they wholeheartedly agreed."

This amenity is highly desired at all ports of entry for produce shippers. During the transportation and inspection processes it is extremely important to maintain a specific climate to ensure that the produce does not

wilt or rot. Each moment that the produce is exposed to inadequate temperatures, the product's shelf-life decreases.

For that reason, the facility will include three docking bays with two climate controlled inspection rooms. One bay will remain at 35 degrees to accommodate frozen commodities. The other two bays will remain at 40 degrees for all other inspections.

The three entities expect to host a ribbon cutting ceremony for the new facility in early 2018.

SMALL BIZ NEWS. BIG OPPORTUNITIES



WHAT WOULD YOU DO
with an approximately
one-half acre tract of land
right next door to Bass Pro
Shops Outdoor World?

You could sell it, or you could even ground lease it. But if you really wanted to maximize the use of the property and the return, then build on it. At least that's what the HEDC is considering doing with a small tract of land in Cameron Crossing. Cameron Crossing is a retail destination area featuring Bass Pro Shops, the Residence Inn by Marriott,



What if that piece of land
was at the intersection of
2 MAJOR INTERSTATE
HIGHWAYS?

(Interstate 2 & Interstate 69F)

Cracker Barrel, Longhorn Steakhouse, and at least two other restaurant chains soon to be announced. It is also a short walk to a Sam's Club, and a soon-to-be constructed 43,000 square foot Conference Center with an adjacent hotel. A local architectural firm, Megamorphosis, is designing a retail and office spec building for HEDC on that site.



In a city generating over
\$1 BILLION
in annual taxable
retail sales?

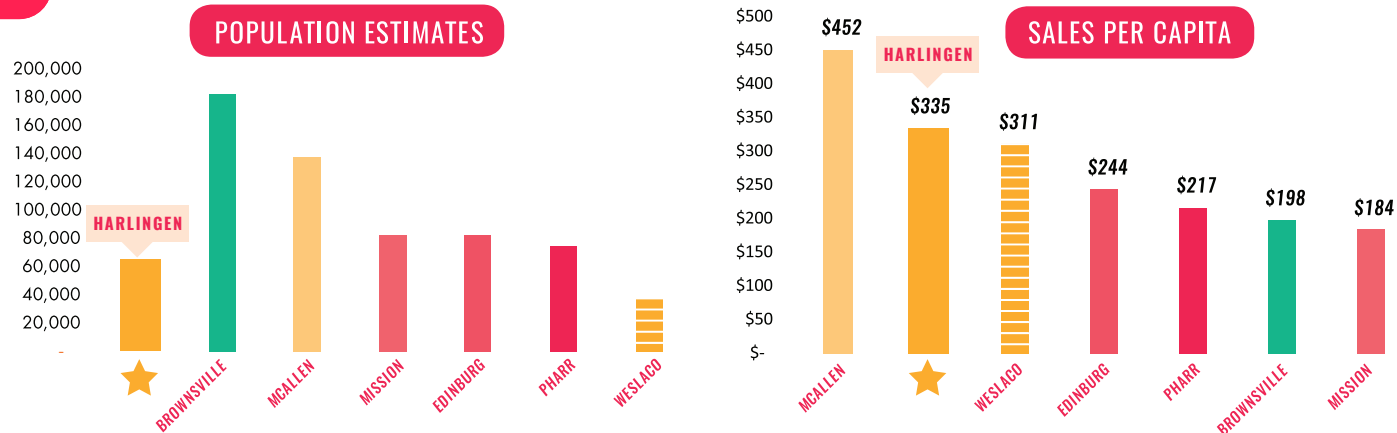


**Call us to be a
part of this great
new location!**
956-216-5081

NEW BUSINESSES



HARLINGEN RANKINGS



MEET TWIN SISTERS JANE AND JILL.

Both recently graduated medical school. Jane went to school in New York. Jill went to school at UT-RGV School of Medicine in Harlingen. Now that they're ready to begin their careers, they are trying to decide where they're going to live, raise a family and practice their medical profession. They've narrowed their choices to Charleston, N-SC, Portland, OR, or Harlingen, TX. This is what they found:

2016 COST OF LIVING INDEX BY THE COUNCIL FOR COMMUNITY & ECONOMIC RESEARCH (C2ER)

Wine	\$9.07	\$13.29	\$5.90
Vet Services	\$52.13	\$72.25	\$35.50
Boys Jeans	\$20.74	\$25.69	\$9.73
Dry Clean	\$11.00	\$14.07	\$9.46
Shampoo	\$0.99	\$1.01	\$0.75
Toothpaste	\$2.73	\$3.79	\$2.40
Beauty Salon	\$39.10	\$56.00	\$23.79
2 PC Chicken	\$6.03	\$5.00	\$2.99
Pizza	\$8.99	\$11.49	\$9.00
Ibuprofen	\$10.97	\$10.27	\$8.42

CHARLESTON

PORTLAND

HARLINGEN

SO WHAT'S THE BOTTOM LINE?

It's not even close! By moving to Harlingen, Jane and Jill will have a savings of 20% below the National Average cost of basic necessities. Buts don't take their word for it. The Council for Community and Economics Research (C2ER) has named Harlingen the Least Expensive Urban Area among participating communities Five out of the last Six Years!

2010-2014
#1 LEAST EXPENSIVE
URBAN AREA IN THE US
HARLINGEN, TX

2015
#2 LEAST EXPENSIVE
URBAN AREA IN THE US
HARLINGEN, TX

Assets

	Current Year September 30, 2017	Prior Year September 30, 2016
Cash	\$1,688,482	\$2,007,728
Reserve Cash	-	-
Investments - TaxPool	3,021,106	2,003,824
Receivables, Accounts - State Comptroller/Other	367,366	339,095
Receivables, Accounts - Other	44,500	72,139
Receivables - Interfund TIFRZ No. 3	436,416	506,416
Prepaid Expense	2,111	23,816
Loans Receivables	331,782	313,024
Land - Project Wilson, Project Liberty	565,686	565,686
Land - Bass Pro Shops	4,187,758	4,187,758
Buildings & Improvements - Bass Pro Shops	36,698,765	36,698,765
Less: Depreciation	(6,641,971)	(5,524,676)
TOTAL ASSETS	\$40,702,002	\$41,193,576

Liabilities & Fund Balance

Liabilities		
Accounts Payable - 83/77 Developer	\$46,805	\$5,788
Accounts Payable - Other	-	16,371
Accrued Interest - BPS Land Conveyed	590,230	476,791
- Bonds	200,156	207,515
Due - General Fund	-	-
- Professional Services	-	1,920
- Other	10,008	20,000
Total Liabilities	30,739,964	32,181,151
Long Term Debt		
Bonds Payable - BPS	26,855,000	28,005,000
Bond - Discounts	(241,099)	(241,099)
BPS Land Conveyed	1,417,986	1,417,986
Frost Bank Loan	1,815,000	2,225,000
Comp Absence - Accrued Leave (Sick/Vacation)	45,880	45,880
Fund Balance		
Designed Reserve	2,000,000	2,000,000
Unencumbered Fund Balance	3,564,372	2,491,778
Non Cash Fund Balance	4,397,666	4,520,646
Total Fund Balance	9,962,038	9,012,425
TOTAL LIABILITIES & FUND BALANCE	\$40,702,002	\$41,193,576

