



# McAllen Economic Profile 2019

**The City of McAllen** economic scan presented here is intended to provide an overview and comparison of both temporal and point-in-time socio-economic data to assist City of McAllen leaders. Objective data is an important component of making sound public policy decisions.

Prior to undertaking the economic scan, the McAllen Chamber of Commerce compiled and analyzed data from both public and proprietary sources in order to identify trends in the city that have a significant impact on Hidalgo County's economy.

The resulting data was used to conduct a SWOT analysis, which characterized the County's strengths; weaknesses, opportunities, and threats (SWOT) in economic development. In some cases, the economic scan builds on previous data from the SWOT analysis. The general layout of the economic scan is to provide information in a written and graphical format that can be updated by county and EDC staff in the future as new publicly available data is released.

The economic scan provides an overview of data important to broadly defined economic development planning, but it cannot capture every indicator or level of detail for all data sections. General observations and notes on the measures provided are included within the economic scan.

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# 1 McAllen Overview

## Demographic Characteristics

Eighty years ago, the Rio Grande Valley of South Texas was a rural, agriculture-based economy characterized by sporadic growth. Today, the area is being transformed into a major international trade area by developing first-rate commercial, retail, industrial, medical, retirement and higher education institutions. The promotion of international and retail trade, manufacturing and education are among the most successful along the U.S.-Mexico Border.

The Rio Grande Valley includes the four southern-most counties in Texas: Cameron, Hidalgo, Starr and Willacy. It is in the geographic center of the region most recently termed the Borderplex, which includes the four Rio Grande Valley counties and the Northern Mexico border cities between Matamoros and Ciudad Mier.

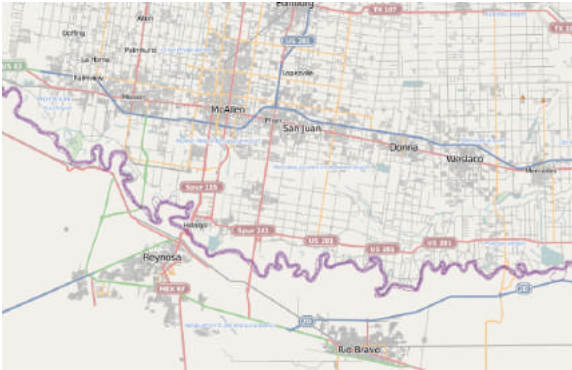


Figure 1 McALLEN/REYNOSA MSA AREA

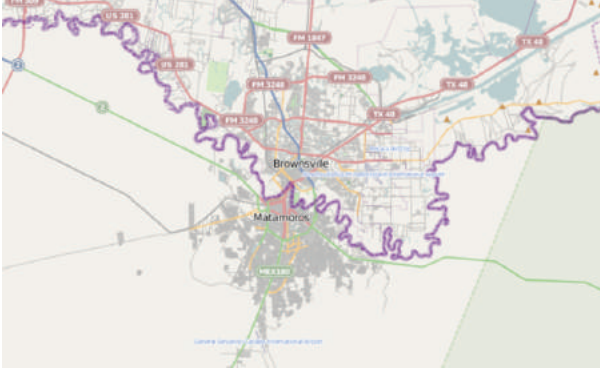


Figure 2 BROWNSVILLE / MATAMOROS MSA

The principal cities of McAllen, Brownsville and Harlingen combine to form the northern half of the Borderplex and are among the most rapidly growing region in America.





## 2 Population

The 2017 Census places the population of the McAllen MSA at 860,661, a 9.5% increase over 2010. The Brownsville Harlingen MSA at a 2017 population of 423,725, a 3.5% increase over 2010.

	<b>MSA BY POPULATION</b>	<b>YEAR 2017</b>
1	New York-Newark-Jersey City, NY-NJ-PA	20,320,876
2	Los Angeles-Long Beach-Anaheim, CA	13,353,907
3	Chicago-Naperville-Elgin, IL-IN-WI	9,533,040
4	Dallas-Fort Worth-Arlington, TX	7,399,662
5	Houston-The Woodlands-Sugar Land, TX	6,892,427
20	Tampa-St. Petersburg-Clearwater, FL	3,091,399
30	Las Vegas-Henderson-Paradise, NV	2,204,079
40	Virginia Beach-Norfolk-Newport News, VA-NC	1,725,246
49	<b>HIDALGO/CAMERON/WILLACY &amp; STARR COUNTIES</b>	<b>1,370,632</b>
50	New Orleans-Metairie, LA	1,275,762

When Willacy and Starr County are added to the population of the two Valley MSAs, the combined population in 2017 is estimated to be 1,370,632 people. That places the Valley 49th in the country among the metropolitan statistical areas as shown in the table above.

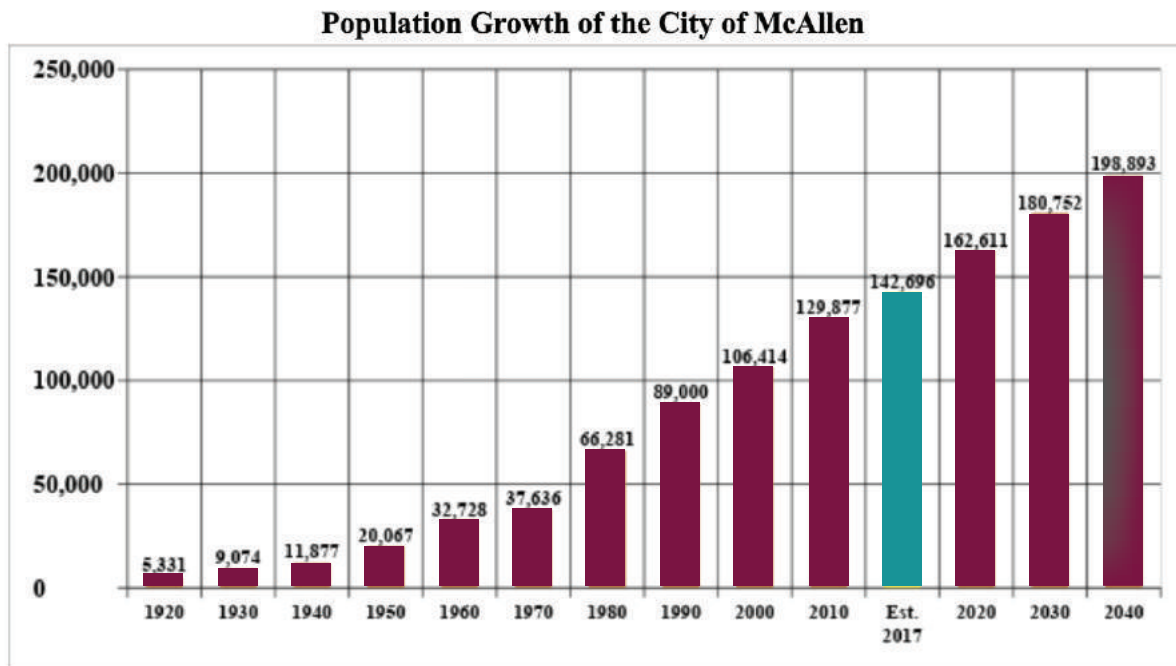
The southern half of Borderplex includes the Mexico border cities of Matamoros, Rio Bravo and Reynosa, which contribute at least another 2.7 million to the region's population. This brings the total population of this bi-national, bicultural, bilingual, international metropolitan area to 4 million people.

Hispanics represent 90% of the McAllen area population and individuals under 35 years of age make up between 59.3% of the population. The population, although diverse, is defined by two dominant demographic criteria: Hispanic and young.



The Rio Grande Valley Communities have a combined population of 1,370,632 which makes it larger population than eleven states including New Hampshire, Maine, Rhode Island, Montana, Delaware, South Dakota, North Dakota, Alaska, District of Columbia, Vermont and Wyoming. When the Mexico side of the Borderplex is included in the mix the binational region fits somewhere between Detroit Michigan MSA (4,313,000 people) which is 14th nationally MSA and Seattle-Tacoma MSA (3,876,000 people).

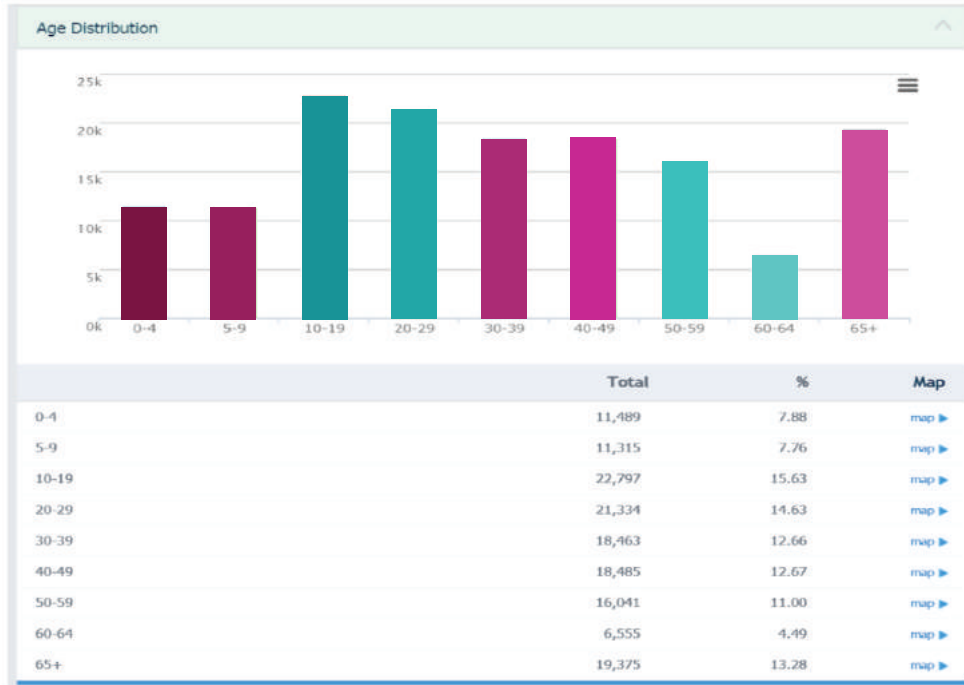
Looking at the city of McAllen alone, the chart which follows shows the history of population growth from 1920 with a population of 5,331 to the 2017 estimate of 142,696 people, projected to reach 198,893 by 2040.



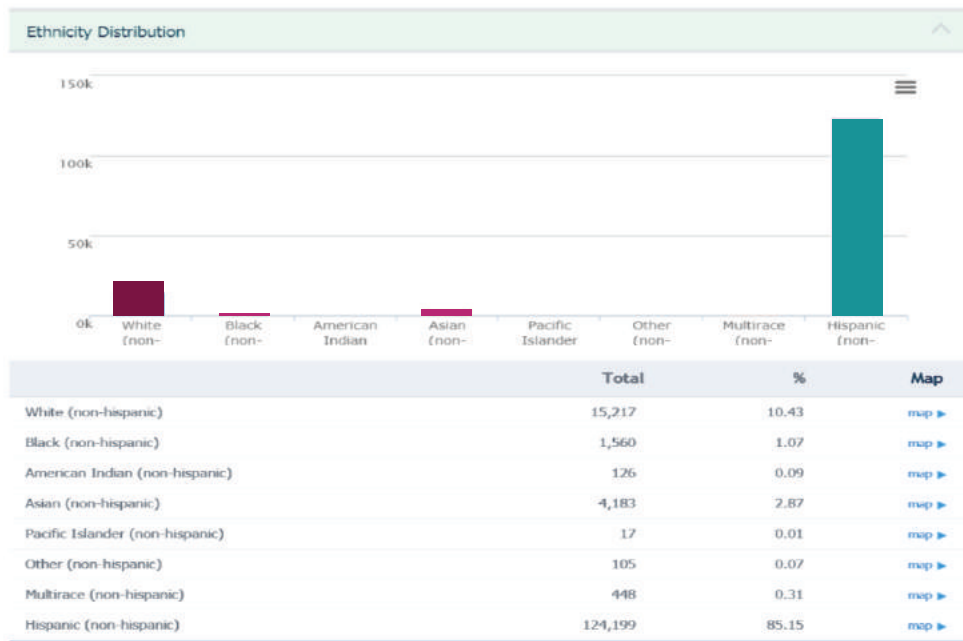
**Makeup of the current population follows in a series of graphs**



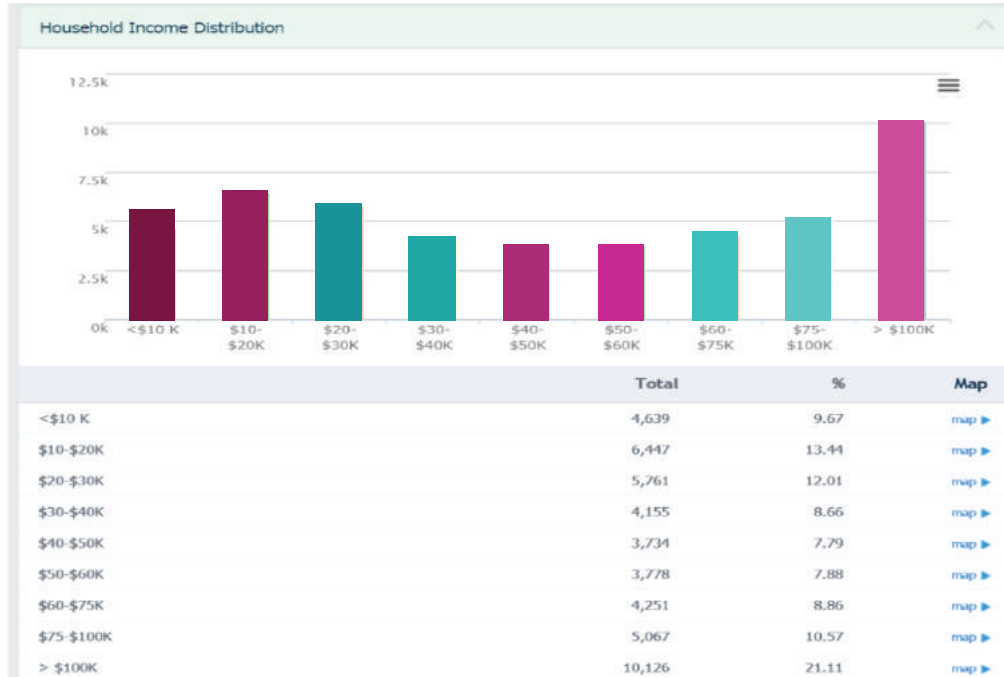
## Age Distribution



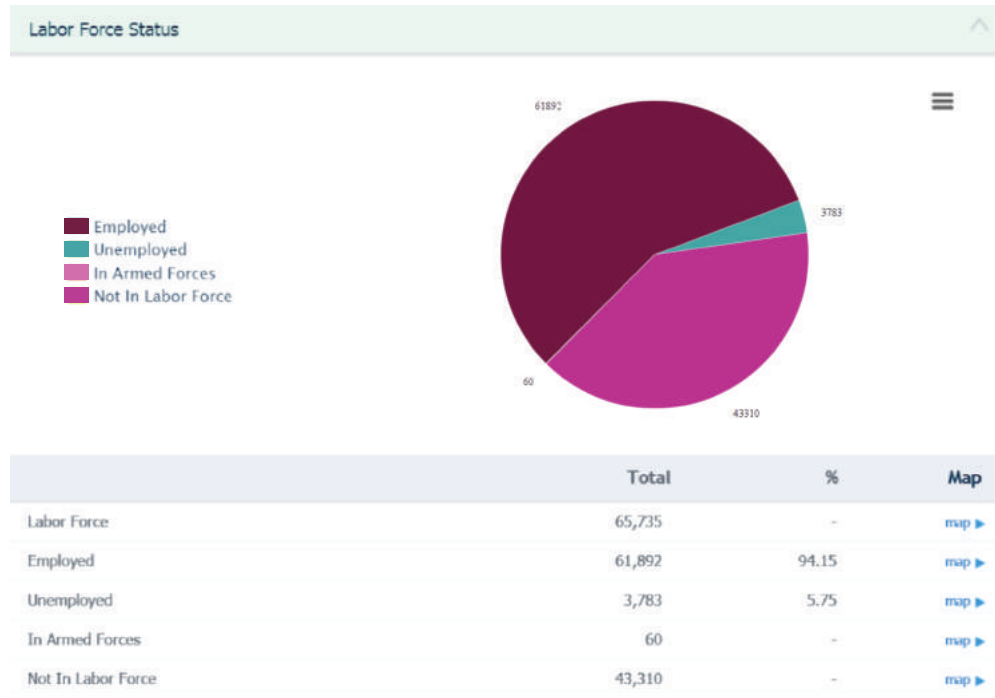
## Ethnicity Distribution



## Household Income Distribution



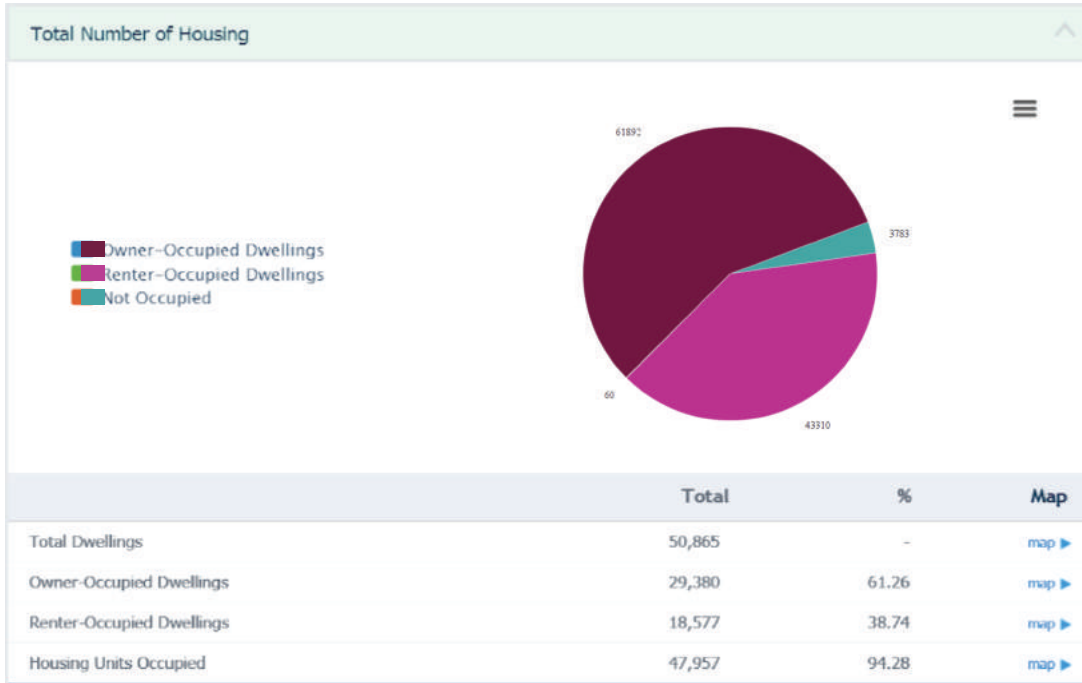
## Labor Force Status



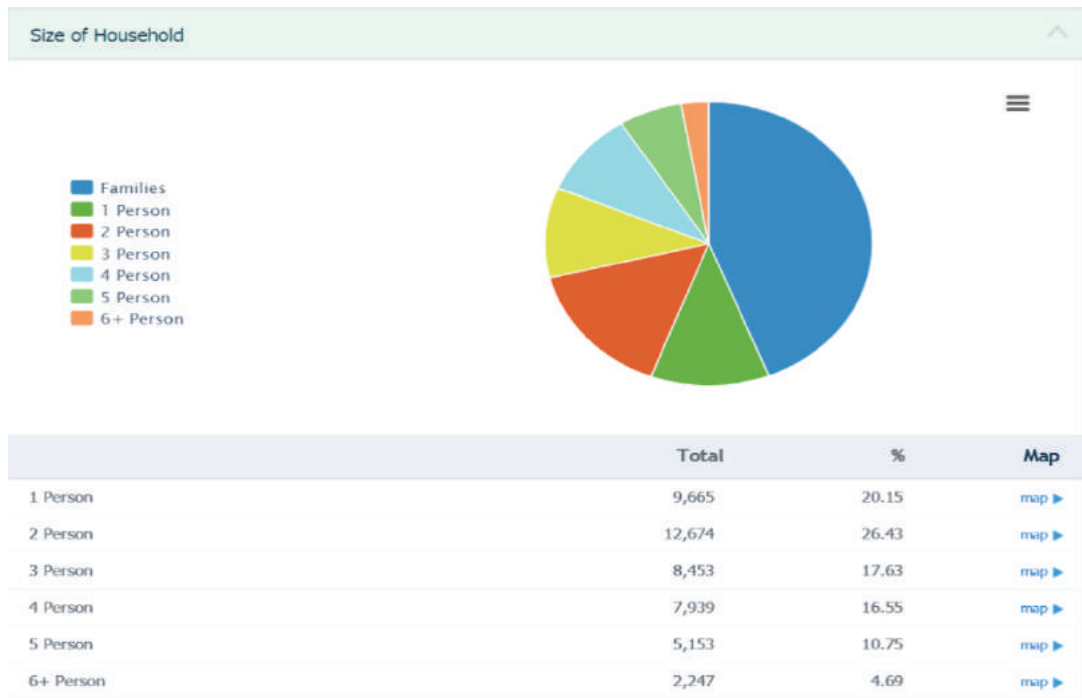




## Total Number of Housing



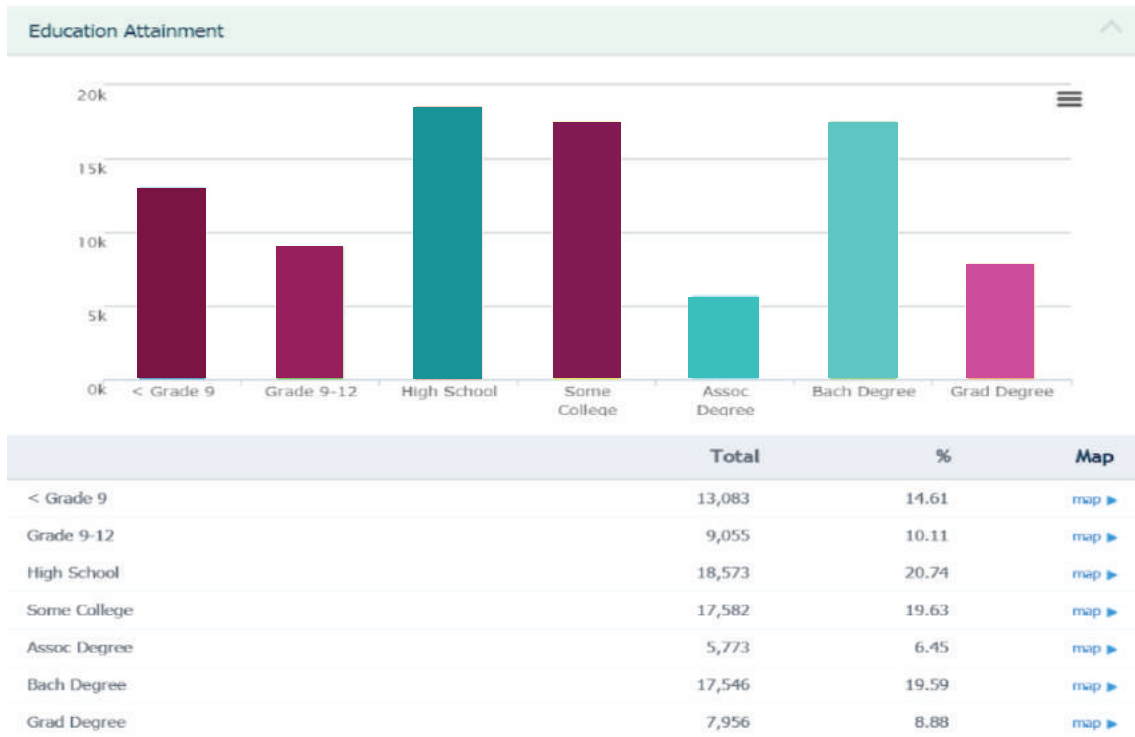
## Size of Household







## Education Attainment



### 3

## Economic Factors

**McAllen is located at the center of the Rio Grande Valley** and provides a direct connection between the international and U.S. markets. Located strategically in the Rio Grande Valley of South Texas, McAllen is only eight miles from the U.S.-Mexico border. The City has made a tremendous effort to enhance McAllen with great amenities, economic and community development projects. The McAllen area is being transformed into a major international trade region by developing first-rate commercial, retail, office, industrial, medical, retirement and educational facilities. The promotion of international and retail trade, tourism and manufacturing is among the most successful along the U.S.-Mexico Border.

Integral parts of the McAllen economy are visitors and investors from Mexico. They expand the McAllen trade area to Reynosa and Monterrey, Mexico and other cities in the north of Mexico. Reynosa, according to the Census of 2010 had a population of 608,891. The Monterrey area, the second most important economic zone in Mexico had more than 4 million in population according to the 2010 Census. This trade area in Mexico is with less than a 2-hour drive, which helps explain the economic benefits that Mexican Shoppers bring to the McAllen area.



## Some important Accolades for the McAllen MSA:

- McAllen was ranked one of the top 20 places to start a business – CNBC, 2016
- McAllen 8th safest city for drivers – Allstate, 2016
- McAllen ranked #1 as most affordable to live in the US – Cost of Living Index, 2017
- McAllen 5th best city to live in a 100k salary – Fortune, 2017
- McAllen MSA ranked first in job creation at a state level - Real Estate Center, 2017
- McAllen ranked #17 most popular large cities to relocate - MoveBuddha, 2018
- McAllen ranked #6 among best places to retire - DaveRamsey.com. 2018
- McAllen was ranked #1 in the list of boomtowns cities of rising salaries – CNBC, 2018
- Top 10 City in The US With The Biggest Influx of People, The Most Work Opportunities, And The Hottest Business Growth - ATT.NET, 2018
- McAllen ranked #34 as Best American Small Cities - Resonance Consultancy, 2018
- McAllen ranked 8th in U.S. for community pride – LawnStarter, 2018
- McAllen was ranked as the nation’s No. 1 most affordable place to retire - SmartAsset magazine, 2018

### 4 Retail Trade

It is an undisputed fact that McAllen is the retail center of South Texas and Northern Mexico, drawing from a consumer base of over 10 million people within a 200-mile radius. In the bi-national metropolitan area, McAllen retailers serve an immediate market population of 1.8 million. McAllen is represented by 40 of America’s top 100 retailers.

The Texas Comptroller tracks the top 20 cities in Texas on a regular basis. Retail sales tax collections provide the clearest illustration of McAllen’s retail sales experience. The table below presents the six of the top 20 cities in Texas in terms of the Sales Tax Collections for 2013. It also presents the most recent census population estimates for 2017. Included in the Actual Retail Sales in 2017 that occurred in six of the top 20 cities to highlight the extraordinary strength of McAllen’s ranking within this group of cities.

**McAllen Ranks #1 in Texas in Per-Capita Retail Sales**

RANK	City	Gross Sales Total '17	Population '17	Households '17	Per Capita Sales	HH Sales	Avg HH Income	PER-CAPITA SALES ABOVE HH INCOME
1	McAllen	\$3,161,144,814	142,696	48,352	\$22,153	\$65,378	\$57,055	\$8,323
2	Houston	\$61,459,484,964	2,312,717	937,245	\$26,575	\$65,575	\$67,536	\$(1,961)
3	Dallas	\$23,234,405,335	1,341,075	543,278	\$17,325	\$ 42,767	\$64,693	\$(21,926)
4	San Antonio	\$26,062,443,883	1,511,946	708,442	\$17,238	\$ 36,788	\$60,185	\$(23,397)
5	El Paso	\$8,607,052,168	683,577	242,682	\$12,591	\$ 35,466	\$59,859	\$(24,393)
6	Austin	\$17,682,759,713	950,715	388,316	\$18,599	\$ 45,537	\$72,437	\$(26,900)

**McAllen Ranks #2 in Texas in ACTUAL Retail Sales per Household**

RANK	City	Gross Sales Total '17	Population '17	Households '17	Per Capita Sales	HH Sales	Avg HH Income	ACTUAL RETAIL SALES ABOVE HH INCOME
1	Houston	\$74,733,062,477	2,312,717	937,245	\$32,314	\$ 79,737	\$67,536	\$12,201
2	McAllen	\$3,161,144,814	142,696	48,352	\$22,153	\$65,378	\$57,055	\$8,323
3	Dallas	\$24,045,849,731	1,341,075	543,278	\$17,930	\$ 44,261	\$64,693	\$(20,432)
4	El Paso	\$8,941,538,240	683,577	242,682	\$13,081	\$ 36,845	\$59,859	\$(23,014)
5	San Antonio	\$25,756,877,624	1,511,946	708,442	\$17,036	\$ 36,357	\$60,185	\$(23,828)
6	Austin	\$17,550,627,006	950,715	388,316	\$18,460	\$ 45,197	\$72,437	\$(27,240)

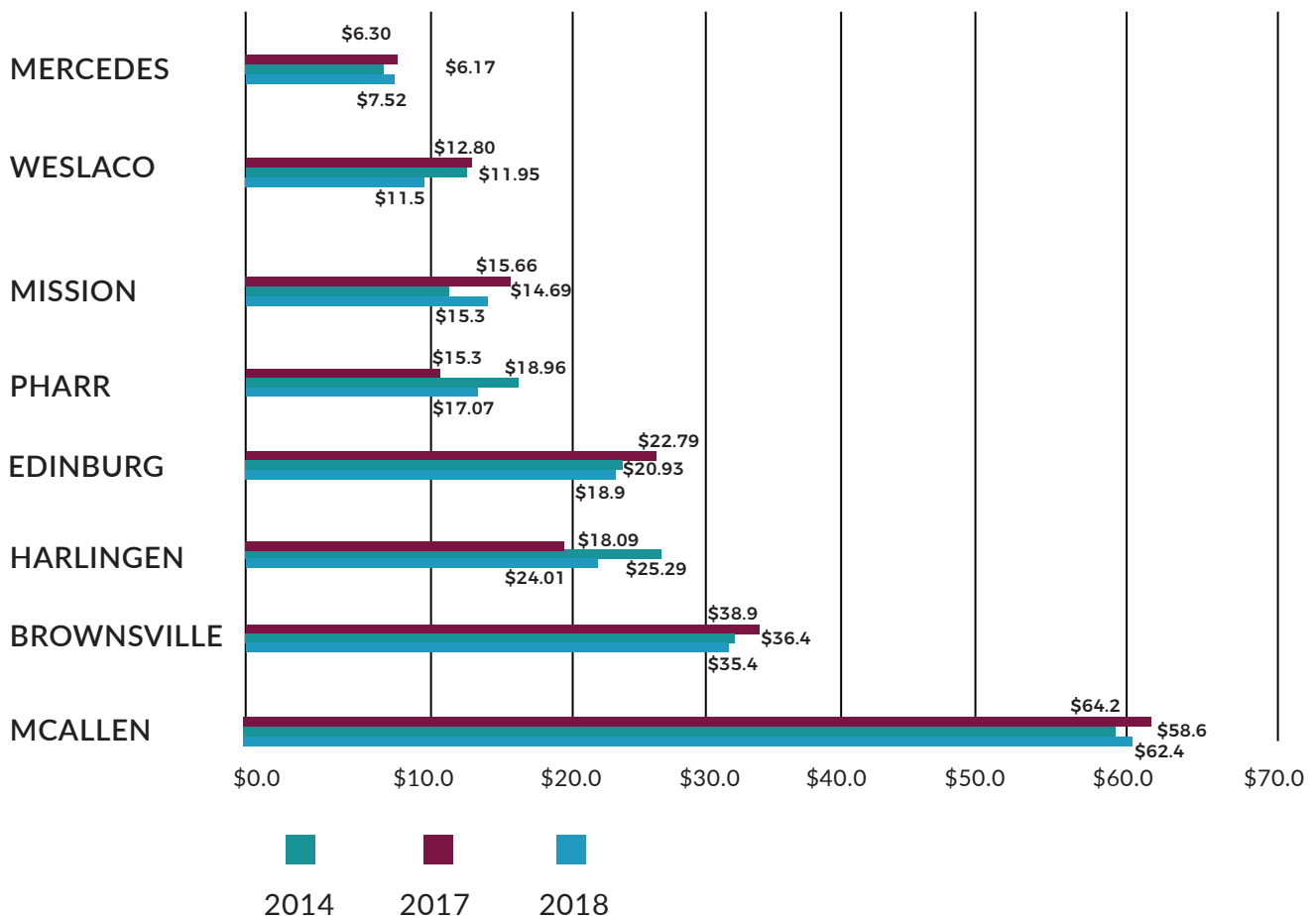


## Retail Trends

Between 2014 and 2017 retail sales in the Rio Grande Valley and particularly in the McAllen area decline substantially due in part to PESO devaluations, uncertainty Mexico, and other economic factors. McAllen took the greatest hit with sales tax, dropping from \$62.4 million to \$58.6 million. The impact in the other cities shown in the following graphic substantially different.

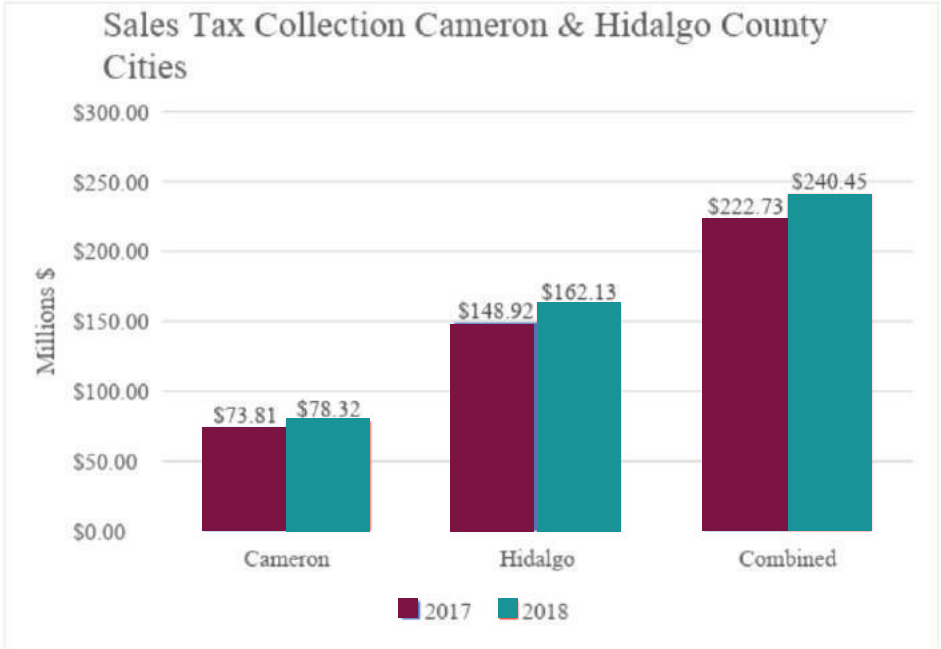
That said the economy in Mexico has stabilized, to some extent, and the economy in the Valley is also improved overall. Best illustrated by the substantial increase in sales tax revenue in McAllen for 2018, which rose to \$64.2 million, the highest on record. Not only has the economy improved, generally, expansions at La Plaza mall gave shoppers another reason to come to visit and it is being manifestly reflected in the sales tax increase of \$5.5 million in one year, 9.45% above the previous year.

### Sales Tax Collection in Selected Cities





The city's in Cameron and Hidalgo counties had combined sales tax collections \$222.73 million in 2017, which increased to \$240.45 million in 2018. Like previously stated the term return to Mexico shoppers, improvement in the overall economy, and the impacts of healthcare and our education are being felt in the retail sector.



**McAllen is the retail center of South Texas and Northern Mexico**, drawing from a consumer base of over 10 million people. This sector has become the driving force in McAllen's economy, growing a staggering 138% over the last 10 years, to over \$7.1 billion and employing 27% of the workforce.

McAllen is known to generate an average of 1.8 million visitors per month, which amounts to more than 18 million visitors annually. Many national retailers located there are among the most profitable stores in their chains.

McAllen's La Plaza Mall has 1,215,000 square feet of gross leasable area and features more than 150 specialty stores, many of which are flagship stores, and restaurants. The total remodeling of the mall and recent expansion following the acquisition of the former Sears store has made room for national brands including H&M, Zara's, Old Navy, Forever 21, and Buddy V's, Yard House and Starbucks. Parking garages for over 2,000 cars was added to ease the parking situation at the mall.





## 5 Cost of Living

The Cost of Living Index (COLI) measures differences between areas in the cost of consumer goods and services, excluding taxes and non-consumer expenditures, for professional and managerial households in the top income quintile. It is based on 59 items, for which prices are collected quarterly by a chamber of commerce, economic development organization or some similar group in each participating urban area. Small differences should not be interpreted as showing any measurable difference, according to COLI.

Among the 268 urban areas that participated in the 3rd quarter 2018 Cost of Living Index, the after-tax cost for a professional/managerial standard of living ranged from more than twice the national average in New York (Manhattan) NY to almost 25 percent below the national average in Harlingen, TX. The Cost of Living Index is published quarterly by C2ER – The Council for Community and Economic Research. Quarter 3, 2018 marks the 50th Anniversary year of the publication.

**The Ten Most and Least Expensive Urban Areas  
in the Cost of Living Index (COLI)  
Third Quarter 2018  
National Average for 268 Urban Areas = 100**

Most Expensive			Least Expensive		
Ranking	Urban Areas	COL Index	Ranking	Urban Areas	COL Index
1	New York (Manhattan) NY	240.6	1	Harlingen TX	76.5
2	San Francisco CA	191.4	2	McAllen TX	76.9
3	Honolulu HI	188.9	3	Richmond IN	79.0
4	New York (Brooklyn) NY	177.3	4	Kalamazoo MI	79.4
5	Washington DC	161.0	5	Muskogee OK	79.7
6	Seattle WA	153.6	6	Memphis TN	81.3
7	Oakland CA	153.5	7	Pryor Creek OK	81.6
8	Arlington VA	152.3	8	Joplin MO	82.1
9	New York (Queens) NY	150.7	9	Martinsville-Henry Co VA	82.4
10	Boston MA	150.4	10	Conway AR	82.6





The Cost of Living Index measures regional differences in the cost of consumer goods and services, excluding taxes and non-consumer expenditures, for professional and managerial households in the top income quintile. It is based on more than 90,000 prices covering almost 60 different items for which prices are collected three times a year by chambers of commerce, economic development organizations or university applied economic centers in each participating urban area. Small differences in the index numbers should not be interpreted as significant.

The composite index is based on six components: housing, utilities, grocery items, transportation, health care, and miscellaneous goods and services.

## 6 Economic Trends

On a monthly basis the McAllen Chamber of Commerce publishes the McAllen Area Economic Pulse. The Pulse measures the economic activity for McAllen, Mission, Pharr and Edinburg in the following areas: retail sales, motor vehicle sales, lodging tax receipts, airline boarding's, construction permits, new home permits, home sales, average home sale price, Hidalgo and Anzalduas bridge crossings, peso exchange rate, wage and salary employment and unemployment numbers.

This table is a representation of the dynamic changes in the economic index January 1996– September 2018.

	1996	2017	2018	% Change 1996- 2018
Retail Sales (Year-To-Date)	\$2,270,747,171	\$4,321,912,432	\$4,525,998,726	99.3%
Dollars Spent on Auto Purchases (YTD)	\$333,878,715	\$1,184,649,631	\$1,308,758,735	292.0%
Lodging Tax Receipts (YTD)	\$2,343,062	\$2,948,178	\$2,870,306	22.5%
Airline Boarding's (YTD)	236,799	258,499	266,666	12.6%
Value All Construction Permits (YTD)	\$368,457,336	\$473,663,371	\$449,565,379	22.0%
New Home Permits (YTD)	1,173	1,073	1,090	-7.1%
Home Sales (YTD)	494	2,196	2,241	353.6%







Average Home Sale Price (YTD)	\$89,389	\$154,456	\$159,979	79.0%
Dollar Volume Residential Real Estate Sales (YTD)	\$72,483,954	\$350,995,410	\$361,295,643	398.4%
Hidalgo Bridge Crossings (YTD)	4,528,014	4,026,996	3,908,975	-13.7%
<b>Employment</b>				
Wage & Salary Employment (September)	125,100	256,100	261,900	109.4%
Wage & Salary Employment (YTD Avg)	125,800	256,511	261,422	107.8%
Unemployment Rate (3rd Qtr Avg)	13.3	5.2	4.8	-64.2%
Unemployment Rate (YTD Average)	14.2	5.3	4.8	-65.9%
<b>McAllen ECONOMIC INDEX - September (Base=100.0 Jan 1996)</b>	<b>103.5</b>	<b>185.2</b>	<b>188.2</b>	<b>82.0%</b>

## 7 Competition

The McAllen Chamber of Commerce, with a membership count of 1500 and a staff of 22, is the largest chamber of commerce in the four-county region encompassing the Rio Grande Valley. On a regional level, the majority of the surrounding communities have their individual chambers of commerce, and the McAllen Chamber of Commerce is broadly seen as the most innovative, progressive, and active of the group. As the Rio Grande Valley as a whole is aggressively moving towards developing a regional approach to economic and political activities, so the Valley's chambers of commerce have actively pursued cooperation and position alignment on issues affecting the area's communities. Several organizations and interest groups, comprised of chambers of commerce, elected officials and other community leaders, have emerged from these common efforts, for example the Greater McAllen Alliance, the Border Trade Alliance, the No Border Wall Coalition, and the RGV Business PAC. The McAllen Chamber of Commerce is frequently either a member and active participant of these groups or aligns its activities with these organizations if they benefit the McAllen Chamber's members and constituents. In addition, businesses located, and operating outside of the City of McAllen make up a substantial number of the McAllen Chamber's membership.



On a municipal level, the McAllen Chamber of Commerce enjoys a close, strong, and productive working relationship with the City of McAllen and the McAllen Economic Development Corporation. The City of McAllen funds both the McAllen Chamber and the McAllen EDC, yet the two entities serve different purposes in the City's strategic goals, and therefore do not compete for monies. The three entities collaborate as equal partners on events and activities on a weekly basis, and the President/CEO of the McAllen Chamber of Commerce maintains daily communication with the President/-CEO of the McAllen EDC and the McAllen City Manager.

**On an educational level,** the McAllen Chamber of Commerce frequently cooperates with the McAllen Independent School District, South Texas College and the University of Texas – Rio Grande Valley, as well as other area educational institutions, in efforts aimed at promoting higher standards in education and increased scholastic achievement among the youth and adult population of our community.



On a business development level, the McAllen Chamber's Business Development Department maintains a strong working relationship with the local affiliate of the Small Business Development Center Network housed at the new University of Texas of Rio Grande Valley, and the regional office of the Small Business Administration. The entities refer each other clients on a daily basis, and regularly co-host and co-sponsor seminars and workshops.

On a government affairs level, the McAllen Chamber's Governmental Affairs Department maintains a close working relationship with the offices of local, regional, and state elected as well as the offices of the two area Congressmen. The McAllen Chamber's Governmental Affairs Council hosts one or two elected officials as guest speakers during each regular council meeting. The meetings are open to all chamber members and are held on the last Wednesday of every month.

Overall, the McAllen Chamber of Commerce operates in a cooperative, not a competitive, environment. Strong working partnerships with all levels of community organizations have grown deep roots over the years, and the Chamber is harvesting the fruit of these positive relationships every day.

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As outlined in the Demographic Characteristics section, Hispanics represent from 88% to 90% of the Rio Grande Valley population and individuals under 35 years of age make up between 40% and 50%. The population is becoming very diverse with population influx from all over North America and the rest of the World but is defined by two dominant demographic criteria: Hispanic and Young. The community is also firmly bi-lingual, with English & Spanish spoken fluently and interchangeably by the majority of the populous. Tex-Mex, a local mix of Texas English and Northern Mexican Spanish free of any specific grammar rules, is frequently utilized by local residents in everyday conversation.

The economic boom experienced by the McAllen area over the past fifteen years has fueled substantial population growth, both through internal factors (birth rate, etc.) as well as an influx of individuals from throughout the State, the Nation, the Continent, and the World. This internal growth and migration have impacted the face of McAllen and profoundly enriched the everyday life of its residents. Gastronomical, musical, and cultural influences from all over the world have exposed the residents of this once isolated community to different world views and combined with the traditional openness and tolerance of the Valley culture, began creating a multi-national, multi-ethnic, and multi-cultural community. Economic growth and prosperity are seen as a community effort, and newcomers are regarded as assets further enhancing the McAllen experience. Combined with a positive attitude towards life, work, family, and the future, this openness results in an environment low in social tensions and high in entrepreneurial spirit, which enchants local residents as well as visitors every day.

Besides strong economic growth, the three cornerstones and focal points of McAllen social system are its high Quality of Place, its exemplary Education System, and its prospering Health Care Environment.

## Quality of Place

### The Arts

McAllen is an area with a burgeoning arts culture. Known state-wide for the quality and quantity of its artists, the city is now emphasizing and enhancing those resources through many special events such as the McAllen Chamber of Commerce Cultural Arts and Entertainment Series, annual Art and Film Festival, a live outdoor music concert series called “Music After Hours” which presents local musicians the first Friday of the month from September through May, and a live outdoor event called “Food Park Unplugged” where a local musician plays acoustic music for the customers of the McAllen Food Truck Park on the third Friday of the month.

The McAllen Chamber of Commerce Creative Incubator, offering support to up and coming artists of all disciplines; Artwalk every first Friday September through May; and the October city-wide arts and entertainment festival Palmfest.

In November 2016, the McAllen Performing Arts Center celebrated its grand opening and constantly presents a wide variety of nationally recognized productions of music, dance, and theater to the South Texas community. The city of McAllen is committed to enhancing arts and cultural experience. By delivering the most advanced performing arts center south of San Antonio and by bringing a broader variety of entertainment and live performances that has never been possible before in South Texas. The new performing arts center has 1800 seats in 93,471 ft<sup>2</sup> building. Facility has a multipurpose the year with over 2300 ft<sup>2</sup> of usable space. It is a truly state-of-the-art facility.

McAllen is also home of the International Museum of Art and Science, (IMAS) an educational community center which preserves the past, records the present, and provides perspective for the future. IMAS is home of the nation’s largest collection of Mexican folk art, with over 3,000 pieces. Affiliated with the Smithsonian system, the museum has both permanent and temporal exhibitions, and is particularly known for its interactive children’s section.



## Wildlife

The Rio Grande Valley is the most popular birding and butterflying location in the U.S., and people visit from all over the globe to see some of the bird and butterfly species that can be found nowhere else in the entire country. The area is the most biologically diverse in the nation, so wildlife watchers and photographers have myriad opportunities to view and record local flora and fauna.

The area hosts dozens of wildlife watching sites. Quinta Mazatlán is an urban sanctuary working to enrich people's lives by sharing knowledge about birds, plants and environmental stewardship in South Texas. Quinta Mazatlán and its WBC partners promote birding and conservation of Valley habitat, especially as it benefits numerous avian residents and neo-tropical migrants.

The Valley currently has 1.2 million people on the American side (and at least 2.1 million on the Mexican side) and represents the fastest growing metropolitan area in the country. The protection of woodlands and green space is an important goal for the City of McAllen and its neighbors.







## Outdoor Sports

For those who enjoy the outdoors, there are also several fine golf courses that are open year-round with very reasonable green fees and because the weather is so temperate, the courses are filled with avid golfers, often in short sleeves, even in January and February. Other sports such as walking, rollerblading and jogging are popular along the city's hike and bike trails, and tennis and soccer are other pastimes that locals and visitors can enjoy year-round.

Kayaking and canoeing are available at Town Lake at Fireman's Park and at the Rio Grande are other activities growing in popularity. The McAllen Nature Center offers free guided bird walks, Tai Chi and yoga classes. The city's hike and bike trails and other private and public native landscaping bring the colorful neotropical bird species McAllen is so famous for right into the city.

## ■ Winter Texan Activities

McAllen is also a major snowbird, or Winter Texan, destination. Many activities are geared to these northern visitors, from entertainment events to volunteer options.

## ■ Worship

The area has hundreds of Catholic and Protestant churches, Jewish Temple's, Islamic mosques, with many offering services in many languages.





Retail and restaurants are two of McAllen's great strengths. You can find most of the chains you expect to find in a city, and many local specialty shops as well.

While much of the new growth in town is toward the north, McAllen's Palms Crossing, in the Convention Center District, is the newest large shopping and dining area. Restaurants such as Johnny Rockets, Kumori, McAlister's Deli, Rocky Mountain Chocolates, Urban Bricks Pizza, Zoe's Kitchen, have all opened their doors, along with a vibrant collection of retail stores. The Convention Center District now joins North 10th Street, downtown McAllen, the Las Tiendas shopping area, and La Plaza Mall as a major shopping area in the city.

As our City becomes more culturally diverse, a larger number of specialty stores have also appeared. There are Japanese and Filipino groceries stores, several health food stores offering organic products, and fresh fruit and vegetable stores open permanently.

## ■ Accomodations

The City of McAllen has 38 hotels with 3,700+- rooms. Over 450 more rooms were built within the past 2 years. Current hotels include many major chains, from full-service convention hotels such as Embassy Suite, Double Tree Suites, Renaissance Marriott, and several other Hilton branded hotels. In addition, some long-term visitors choose to stay in one of the hundreds of area RV parks, second homes or apartments. A limited amount of camping sites is also available nearby.



The city offers in-town bus service, hike and bike trails and a parking garage downtown. American and United Airlines provide jet flights daily to McAllen International Airport, and Allegiant flies directly to Las Vegas and, in the summers, Orlando. Aeromar offers daily flights to Mexico City.

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## Education System

### McAllen Independent School District


Home to state, nationally, and internationally recognized students and teachers, as well as the only International Baccalaureate Program south of San Antonio, the McAllen Independent School District is student-centered and focused on excellence. This past school year, students won an impressive 65 top honors in three national academic programs – the National Merit Program, the National Hispanic Merit Program, and the Advanced Placement Program.

In fact, McAllen ISD consistently produces the highest number of National Merit Scholars in the entire region each year. Further, the International Baccalaureate (IB) Program has had a 100% success rate every year since the rigorous academic program's inception in 2003. That is the highest recorded diploma-earning rate possible, compared to a success rate average of 76% in Texas and 80% globally. All IB exams are graded in Geneva, Switzerland.

Funds are committed every year to extend the IB program to all levels. This impacts middle school and even elementary school students. At the elementary level, additional staff is being hired to teach art, drama and technology to ensure the whole child is educated to his or her greatest potential.

Recognized as a school district that sets the pace for educational change and innovation, McAllen ISD is an educational system committed to continuous improvement and responsive to the desires of this diverse community. Students have excelled in so many fields of study, and it is all thanks to the excellent instruction found in classrooms throughout the city.

Teachers do not hold back, and students reap the benefits. The most recent test results prove that. A preliminary analysis indicates schools earned a combined total of 43 “exemplary” and 81 “recognized” marks in writing, reading, mathematics, science and special education.



In fact, these numbers indicate that 14 of the schools have earned a “Recognized” rating, while two have earned an “Exemplary” rating. That’s more than double last year’s numbers and the third year in a row that we have seen marked improvement. The state raised its testing standards three years ago, from TAAS (minimal skills test) to TAKS (higher order thinking skills test).

MISD’s graduates are pushing themselves academically, and those efforts have certainly garnered the support of the greater community. Scholarship amounts went from \$7,847,394 in 2005 to \$8,597,101 in 2006. That is a \$749,707 in just one year!

The younger students also amass accolades. For example, some Gifted and Talented seventh graders in the Duke University Talent Identification Program score higher on a college entrance exam than the national average for high school seniors. This past year, two students earned “National Recognition” and a record 29 students earned “State Recognition.”

McAllen ISD is being recognized for having all 32 eligible schools earn the 2015 National Healthy Schools Bronze Award. Following McAllen ISD’s national recognition under Let’s Move! Active Schools (two straight years), this represents the district’s greater efforts to promote and instill healthy-living habits for its students. McAllen ISD is the largest (25,000 students) school district in the nation to receive this award.




Aside from academics, our students also excel in fine arts, athletics and other programs. We have the State Championship Constitution Team (12th time in 14 years), a national cheerleader team, a national dance team, and the highest number of students earning seats in the All Valley fine arts programs, with many representing the region at state. Our people inspire excellence. Teachers from McAllen ISD have garnered the “Regional Teacher of the Year” title in 11 of the past 12 years. In fact, McAllen teachers and other staff members have won titles such as “State Teacher of the Year,” “Tandy Teacher of the Year,” “Disney Teacher of the Year,” “Texas State Teachers Association Administrator of the Year,” and many more.

**McAllen ISD provides a flexible,** student-centered learning environment which meets the needs of each student and empowers all students to become successful citizens who are motivated to improve society in a rapidly changing world. This is an educational mission that can only be accomplished in collaboration with the parents, citizens, instructors, and the business community. Our innovativeness is seen in a number of new programs implemented to address specific needs.

The cornerstone for this academic excellence includes such applied concepts as site-based shared decision-making, systematic mapping, planning recognition and cultivation of cultural responsibility, self-discipline and ethical values. Efficiency measures and increased enrollment has resulted in the highest fund balance in McAllen ISD’s history. This has made it possible for the district to finance several much-needed projects. For the second year in a row, the MISD Board of Trustees set aside funds to take care of construction needs that have been identified by staff. This year, they set aside \$1.845 million for summer projects at various campuses. Also, the Board approved \$251,000 for the purchase of surveillance equipment at three high schools.

Committed to excellence at every turn, the Board had assembled a community-based committee to provide an honest assessment of a district’s needs before the bond was even proposed to voters. But trustees went even further than that. After the bond’s approval, McAllen ISD expanded the committee’s role to continue to follow the bond’s progress until all new construction is completed. Trustees asked the citizens to help them monitor the bond as they worked diligently to fulfill their charge to the children and taxpayers of our community.

It is a commitment to “unflinching thoroughness” that permeates throughout the district. McAllen ISD focuses on doing what’s right for children and, for McAllen ISD; this is a venture of the heart.



## Private Schools

### ■ Covenant Christian Academy

Covenant Christian Academy has been serving McAllen and the surrounding communities for over 22 years with a challenging, nondenominational curriculum for grades K3 - 8th grades. Over 25 churches are represented in the student body. You will find a safe and well-disciplined environment that focuses on academic excellence. CCA has an experienced faculty that loves kids. They have a 17:1 student/teacher ratio. Spanish is taught to all students, as well as music, art and computer. If you are looking for a private Christian school that has that warm, safe feeling, call for a tour at (956) 686-7886.

### ■ Our Lady of Sorrows Catholic Church

Our Lady of Sorrows School is located in the heart of McAllen and has an established tradition of excellence that spans over 70 years. Approximately 450 students are enrolled. The school provides a Catholic faith-based, educational preparatory program that includes a Montessori pre- kindergarten and kindergarten program, a comprehensive elementary program for first through fifth grade, and a quality junior high school sixth to eighth grade program. It also provides a well- rounded athletic program, an after-school program, a summer school program and an academic support program that includes: Google Education online access for middle school students, real time grades for parent access, online access to textbooks, faculty homework pages, online homework websites, and one-on-one and group tutorial support from teachers.

Continuing its tradition of "excellence in education," the school instills in children Catholic values, a strong academic preparation, critical thinking skills, and inculcates active community service responsibility at the middle school level. The curriculum is designed to insure strong academic expectations and the development of the whole child's unique social, physical, emotional and academic needs. It meets the standards of the State of Texas - Texas Essential Knowledge and Skills (TEKS) and is aligned with National Benchmarks and Stanford Achievement Test Objectives.

The faculty is a strong support to students, allowing them to take risks and assume personal responsibility. A variety of enrichment classes and programs are provided that support students' learning allowing them to pursue academic excellence within their individual potential. Consistently, students perform above grade level and have received numerous awards at local and state level competitions. OLSS graduates are also well known in the community for their academic achievements at the high school level and beyond.

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The school is fully accredited by the Texas Catholic Conference Education Department sanctioned under the state-approved Texas Private School Accreditation Commission under the auspices of the Texas Education Association. Other memberships include the National Catholic Education Association, the National Middle School Association and the South Texas Junior High League. For more information, an application or to take an online virtual tour visit our website at [www.olsschool.org](http://www.olsschool.org) or call (956) 686-3651 to schedule an appointment.

## ■ **St. John's Episcopal Day School**

St. John's Episcopal Day School has served McAllen and surrounding counties for over 48 years. Currently the school has over 200 students and has a permit to expand its facilities. The school also offers an after-school Day Care Program.

The goal of St. John's Episcopal Day School is to offer a thorough academic program that meets the needs of the students in a Christian environment. Students are enrolled from 2 years old through 5th grade level in small classes so that the students may receive the individual attention they need to excel. All of this is done in a religious and patriotic environment.

The core curriculum consists of reading, math, grammar, spelling, science, social studies, handwriting, music, physical education and Spanish. A computer lab allows the students to enhance their learning experience. Extracurricular activities include choir, athletics, and visits to the library, ballet and theater productions. For more information call (956) 686-0231 or [www.stjohns-mcallen.org](http://www.stjohns-mcallen.org). Laying the foundation for a bright future through challenging educational opportunities combined with religious, spiritual and moral values.

## ■ **St. Paul Lutheran Church and School**

St. Paul Lutheran School was established in 1943. It offers a Christian Day School as well a Child Care program. The student body of 370 children range in age from 18 months through eighth grade.

The classrooms have an average student/teacher ratio of 20:1 and are taught by Certified Christian teachers. Students are given every opportunity to develop academically, socially, spiritually, emotionally and physically. The students will receive a well-rounded education in the basics, plus instruction in computers, music, art, physical education and Spanish. Students have daily Bible study and worship and also enjoy a number of extracurricular activities.

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The program of education is supported by an experienced and degreed teaching staff. One area of the program that is especially important is a comprehensive music program for all children. Vocal, band and orchestra are elements of a program that allows students to grow in self-expression. St. Paul Lutheran Church and School invites your family to consider enrollment. Please call the office at (956) 682-2345 or visit their Web site at [www.stpaullutheran.com](http://www.stpaullutheran.com) for more information.

## ■ The Discovery School

The Discovery School is the most established Montessori School in the upper Valley. It was founded as a parent cooperative, non-profit organization in 1974. The Montessori Method is an individualized, educational approach that offers a unique program of instruction to its students. Teachers travel to special training centers to receive Montessori training in order to become certified Montessori Guides (teachers). The Discovery School is home to over 200 students ranging in age from 18 months to 12 years old. Its new campus was specially designed to enhance this child-centered approach to life. Each classroom is equipped with its own microwave, refrigerator, kitchen sink and bathroom.

All classrooms also have their own backyards with garden plots. Additionally, there are over five acres of fenced playground with three large man-made hills, mesquite trees, and even a wildlife habitat. This outdoor environment is a crucial extension of the Montessori classroom. Curriculum is designed to fit each child's individual needs while incorporating traditional educational objectives in all academic areas. Specialists teach Spanish, music and physical education as well as topics of special interest. For more information about this unique school, please call (956) 381-1117.

## Professional Education

### South Texas College

Founded in 1993, South Texas College is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools and offers more than 120 degree & certificate options, including associate degrees in a variety of liberal art, social science, business, math, science, technology, advanced manufacturing and allied health fields of study. Additionally, South Texas College is the only community college in the State of Texas to offer four baccalaureate degrees. South Texas College has a faculty and staff of more than 2,700 to serve the college's six campuses, two higher education centers, and one virtual campus.

Since 2000, the college has served over 99,000 dual credit students at 78 school sites, saving families hundreds of thousands of dollars in tuition.

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## ■ The University of Texas Rio Grande Valley

Discover the world by land, sea and sky at The University of Texas Rio Grande Valley, one of the largest Hispanic-Serving Institutions in the country. Home of the Vaqueros, UTRGV delivers unparalleled learning opportunities for its more than 29,000 students.

Through personalized mentorship from world-class scholars, state-of-the-art facilities and technology, and opportunities for significant research, UTRGV is focused on bringing knowledge to life and applying it in meaningful ways.

From the Gulf Coast to deep space, UTRGV offers a unique learning environment, with more than 100 undergraduate and graduate degrees, including engineering, marine biology, hospitality and tourism, international business, astronomy and astrophysics, and a School of Medicine.

With the SpaceX launch site planned in Boca Chica Beach, the region is set to become an emerging global hub for the aerospace industry, giving students and faculty groundbreaking opportunities for space exploration, research and technology development.


UTRGV has plans to implement new professional and doctoral programs in the next few years, giving students multiple opportunities to innovate and collaborate with faculty and leaders in industry, business, medicine, science, education and technology. The university's facilities also offer distinctive opportunities for student research.

As one of the largest four-year public universities in Texas, UTRGV awards \$250 million in financial aid yearly, and offers guaranteed tuition plans, which means tuition will not increase for four years.

UTRGV's educational opportunities span the Rio Grande Valley with locations in Brownsville, Edinburg, Harlingen, McAllen, Rio Grande City, and sunny South Padre Island.

## ■ Texas A&M University

With its commitment to educational excellence and meeting the needs of the communities of the Rio Grande Valley, Texas A&M University has opened the new Texas A&M University Higher Education Center at McAllen. Located in the beautiful Tres Lagos community, the Higher Education Center at McAllen offers five challenging degrees in Interdisciplinary Engineering, Multidisciplinary Engineering Technology, Biomedical Sciences, Public Health, and Food Systems Industry Management.





Degree options at this campus are focused on the issues that matter most in the Rio Grande Valley. At this \$40 million facility, students will learn how to make a difference in the region and beyond. Together, we can feed the hungry, cure diseases, and build the communities of the future, all right here in the Rio Grande Valley.

These programs are offered in the state of the art 65,000 square foot facility. The Higher Education Center at McAllen is designed to promote active learning. Its classrooms offer students the flexibility to work in small groups as well as individually, all the while, incorporating the latest technology. The nine laboratories are equipped with some of the most sophisticated technology available to today's college students. The faculty at the Higher Education Center at McAllen are committed to the students' learning. As part of our innovative Faculty Mentor Program, faculty are assigned a small group of students whom they mentor, meeting two or three times per semester.

Texas A&M University opened the Higher Education Center at McAllen because the university is committed to supporting the educational needs of Texas with top-tier educational programs that will fulfill individual student career goals, enhance continued economic development of the region and help provide the necessary skilled workforce.

**11**

**Health Care Environment**

**Doctors Hospital at Renaissance**

Since its inception in 1997, Doctors Hospital at Renaissance has been committed to setting the standard of excellence in all aspects of patient care. Unlike any other healthcare organization of its scale in the Rio Grande Valley, DHR was established by a group of local physicians seeking to provide only the best means of treatment for their patients.

Having recently expanded in capacity to 18 beds-including a Hyperbaric & Wound Care Center, a 38 Bed Rehab Center, four free-standing Imaging Centers, an Outpatient Infusion Center, Doctors Hospital at Renaissance is fulfilling its mission to maintain and operate a cutting edge acute care facility in tune with the community's rapid growth.



Equally exciting is what Doctors Hospital at Renaissance has planned for the future: a 150-bed Women's Hospital, a Cancer Treatment Center, a Behavioral Health Center, Medical Office Buildings and a small hotel.

Doctors Hospital at Renaissance is proud to have over 450 physicians on its medical staff representing over 40 different specialties. Over 1,700 highly skilled employees coupled with the most state-of-the-art equipment and dedicated physicians deliver the most optimal care to the residents of South Texas. The Facility can be reached at 5501 S. McColl Road, Edinburg, Texas 78539, (956) 661-7100

## South Texas Health System McAllen

McAllen Medical Center opened its doors in 1919 to provide care to the people of the Rio Grande Valley. McAllen Medical Center's full-service acute care facility opened in December 1985 after spending more than 50 years in downtown McAllen, Texas as McAllen Municipal Hospital, McAllen General Hospital and McAllen Methodist Hospital.

McAllen Medical Center, now known as South Texas Health System McAllen, was the first in McAllen and neighboring cities to offer services such as open-heart surgery, one-day cardiac catheterization and magnetic resonance imaging. Today, it's part of South Texas Health System which is one of the largest health systems in the region offering a comprehensive range of services, including award winning, accredited and certified programs.



South Texas Health System McAllen is the upper Valley's advanced level III designated trauma center, a certified advanced primary stroke center by the Joint Commission, a certified total knee replacement program, a neuroscience program with endovascular neurology, and a level III neonatal intensive care unit. It has become the region's choice for exemplary care with emergency services, in-house trauma surgeons (24/7), neurosurgery, orthopedics, wound care and hyperbaric services, Veteran's healthcare services, cancer treatment programs, and advanced diagnostic imaging.

As part of a \$44 million renovation project launched in February 2017, the hospital has undergone major upgrades to patient floors, lobbies, dining facilities, and patient care areas. The Birthing Center offers award winning maternity care and has been recognized by Healthgrades, a U.S. Company that evaluates healthcare quality for five stars in vaginal deliveries, c-section deliveries, and gynecologic procedures for three years in a row (2015-2017). The hospital features two helicopter landing pads for air transportation services. Over the past 41 years, the McAllen Family Medicine Residency Program has trained and educated over 240 family medicine physicians at South Texas Health System McAllen. Established in 1977, the program was sponsored by the University of Texas Health Science Center San Antonio. In 2015, it became part of a new sponsoring institution, the University of Texas Rio Grande Valley School of Medicine Residency Program.

Patients come from all over the region and northern Mexico for the expertise of leading physicians, quality of care, and the latest technology. The hospital is located at 301 W. Expressway 83, McAllen, Texas 78503, by phone at 956-632-4000 and online at [southtexashealthsystem.com](http://southtexashealthsystem.com).


## South Texas Health System Heart

McAllen Heart Hospital is the first freestanding cardiology and cardiovascular hospital built in the United States, and it is dedicated to heart-related medical needs for patients. The hospital provides diagnosis and treatment, emergency heart care, cardiac catheterization, heart surgery and education.

McAllen Heart Hospital is also equipped with a full-service emergency department, as well as a bariatric surgery center.

McAllen Heart Hospital, known now as South Texas Health System Heart, opened on January 15, 1996, as a 60-bed specialty care facility dedicated to the diagnosis and treatment of heart disease. The hospital is an accredited Chest Pain Center with PCI from the Society of Chest Pain Centers for care and treatment of patients who present symptoms of a heart attack.

Award winning services also include an accredited chest pain center with PCI, American Society for Metabolic and Bariatric Surgery (ASMBS) accredited bariatric surgery, Blue Cross Distinction, level IV trauma center, Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program, and Mission Lifeline® Silver receiving the Quality Achievement Award. The hospital is recognized by Healthgrades for excellence in quality in several categories. The hospital is among the top 5 and 10 percent in the nation for overall cardiac services, coronary interventional procedures, and cardiac surgery as noted below:




- America's 100 Best Cardiac Care – 2017, 2018, 2019
- America's 50 Best Cardiac Surgery – 2017, 2019
- America's 100 Best Coronary Intervention – 2017, 2018
- Cardiac Care Excellence Award – 2017, 2018
- Cardiac Surgery Excellence Award – 2017, 2018
- Coronary Intervention Excellence Award – 2017, 2018
- Five-Star Recipient for Coronary Bypass Surgery – 2017, 2018
- Five-Star Recipient for Valve Surgery – 2010-2018
- Five-Star Recipient for Coronary Interventional Procedures – 2017, 2018
- Five-Star Recipient for Treatment of Heart Attack – 2014-2018

Patients travel from across Texas and northern Mexico for the impressive credentials of leading cardiology physicians and staff. The hospital is located at 1900 S. "D" Street, McAllen, Texas 78503, by phone at 956-994-2000 and online at [southtexashealthsystem.com](http://southtexashealthsystem.com).

## South Texas Health System ER Ware Road

South Texas Health System ER Ware Road is the newest freestanding emergency room located in northwest McAllen. The South Texas Health System ER Ware Road provides emergency care 24 hours per day, 365 days per year, unlike most urgent care centers and clinics that are open just eight to 16 hours per day. The ER is staffed with the same medical personnel and equipped with the same diagnostic technology available in South Texas Health System's hospital-based emergency rooms. The ER features six treatment rooms, diagnostic imaging services, three rapid medical evaluation units, internal waiting room with treatment spaces, 24-hour lab services, cardiopulmonary monitoring, respiratory treatments, intravenous medications and fluids and an ambulance bay. The ER provides pediatric ER care in a dedicated treatment room. The ER is staffed with credentialed emergency room physicians and can provide stabilizing treatment equivalent to any hospital-based ER. The ER offers comprehensive range of outpatient diagnostic and laboratory services such as x-ray, lab tests, and sports physicals. South Texas Health System operates six free-standing emergency rooms in McAllen, Mission, Weslaco, Alamo and Edinburg.

Patients can find South Texas Health System ER Ware Road at 3700 W. Nolana Ave., McAllen, TX 78504, by phone at 956-213-2700, or online at [sthserwareroad.com](http://sthserwareroad.com).



## Rio Grande Regional Hospital

For over 36 years, Rio Grande Regional Hospital has stood proudly as a pillar of healthcare excellence in the Rio Grande Valley. Through the years, the hospital has remained dedicated to its mission statement, “Above all else, we are committed to the care and improvement of human life.”


Rio Grande Regional Hospital is proud to be recognized nationally as the only hospital in the Rio Grande Valley named as a 100 Top Hospital by IBM Watson Health™. The analytics company identifies top-performing hospitals in the U.S. based on overall performance, most notably in improving patient care at a lower cost.

The hospital’s mission of providing compassionate healthcare begins with its ability to provide a full spectrum of medical services. With more than 500 physicians representing over 35 specialists our dedicated team of medical professionals use innovative technology to provide a wide range of both inpatient and outpatient medical and surgical services. Whether diagnostic, non-surgical, or surgical in nature, Rio Grande Regional Hospital provides treatment to a full range of both cardiovascular and neurological disorders as a certified Chest Pain and Primary Stroke Center. In addition, Rio Grande Regional Hospital’s emergency department, which is designated an Advanced Level III Trauma Center, along with its freestanding emergency rooms (ER); make it the area’s leading ER provider. The hospital also offers nationally recognized maternity care to women and their babies in its Level III Neonatal Intensive Care Unit, providing the Valley the highest standard of maternal and newborn care.

As an affiliated hospital of the Hospital Corporation of America (HCA), Rio Grande Regional Hospital has the support of the nation’s leading provider of healthcare services to offer patient-centered medical care practiced with integrity and compassion. For more information, please visit the website, [www.RioHealth.com](http://www.RioHealth.com).

## Other Health Care Providers

Besides the three major healthcare providers mentioned above, McAllen is home to a prosperous and rapidly expanding network of individual medial offices who serve the community and its visitors at the highest levels of excellence, comparable or superior to facilities in the large metropolitan areas of the U.S.







On a regional level, the Rio Grande Valley is comprised by a four-county region of Hidalgo, Cameron, Starr and Willacy Counties. The area is federally represented by three U.S. Congressmen, and has the strong support of the two Texas members of the U.S. Senate. In the State of Texas, the area is represented by eight State Representatives and three State Senators. The City of McAllen is the largest municipality in Hidalgo County and is directly represented by the two Texas members of the U.S. Senate, two U.S. Congressmen, two State Senators, and two State Representatives. The City of McAllen is led by the innovative, visionary, and very business friendly Mayor Jim Darling, and the cities administration is handled by the progressive City Manager Roel “Roy” Rodriguez. The City Commission is made up of six members with a strong pro-business and pro-growth agenda.

The working relationship between the City Government and the McAllen Chamber of Commerce is very close, strong and highly productive. The City of McAllen funds the McAllen Chamber of Commerce, and the two entities coordinate their efforts on a daily basis. City representatives are almost always present at McAllen Chamber of Commerce events, and the Mayor, City Manager, and Commissioners are guest speakers and even board members during McAllen Chamber of Commerce Board of Directors meetings. In addition, the Governmental Affairs director of the City of McAllen is in daily contact with the Vice President of Governmental Affairs for the McAllen Chamber of Commerce.


On a County level, the municipalities of Hidalgo County have very strong working relationships with each other, and the county government headed by County Judge Richard Cortez is a strong proponent of regional economic development, and frequently reaches out to the McAllen Chamber of Commerce, as well as other chambers in the area, for advice and support. On a State level, the local Representatives and Senators are frequent guests at McAllen Chamber of Commerce events and are invited on a regular basis to address the membership during Legislative Update events and Governmental Affairs Council meetings. On a federal level, the offices of the two local Congressmen frequently reach out to the McAllen Chamber's Business Development and Governmental Affairs departments to discuss legislative issues and coordinate or co-host events.

The McAllen Chamber of Commerce's involvement in furthering art, culture, and education in the City of McAllen has earned it a very positive reputation among the citizenry, and the growth and business-oriented community is generally highly supportive of our efforts. Since the Chamber of Commerce does not involve itself in the election process by endorsing, and/or hosting political candidates, it is generally regarded as a neutral and impartial institution, further improving its image and standing in the community.

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## Infrastructure

The Rio Grande Valley in general, and the City of McAllen in particular, is located at a strategic point of a logistical artery, commonly referred to as the "NAFTA Highway", connecting the North American continent. This strategic location has fueled a substantial portion of the local economic growth and also increased the importance of regional infrastructure activity, not only on a local level, but also from a regional, national, and international economic perspective. Community growth and infrastructure development has been focused in the areas of Highway Infrastructure, Bridge Crossings, Air Transportation, Public Transportation, Railroads and General Construction.



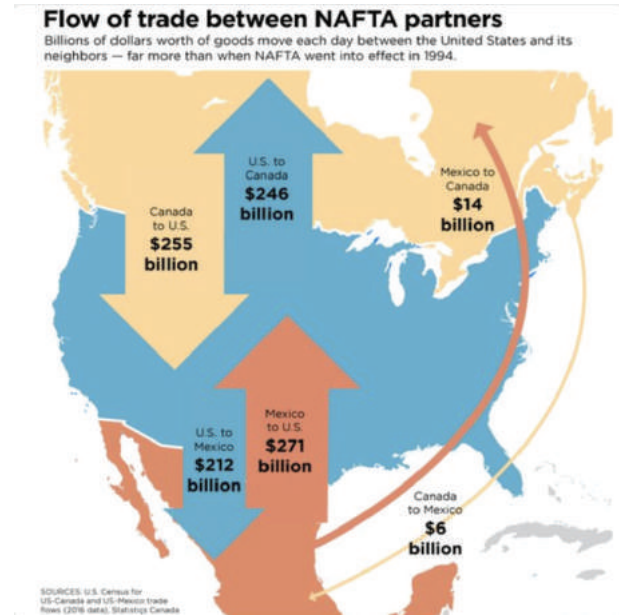


## ■ Highway Infrastructure

In November 1996 the 1996-2016 Rio Grande Valley Mobility Plan was adopted by the Hidalgo, Brownsville, and Harlingen/San Benito Metropolitan Planning Organizations (MPO'S) and presented it to the Texas Department of Transportation for implementation. The Mobility Plan provides for the maximum amount of mobility for the residents and visitors within the urbanized areas of the Valley. It recognizes the importance of adequate links to destinations outside the area, especially international. This is important to Texas and the nation because NAFTA has transformed the region into a major international hub for cross border trade. The Pharr Reynosa bridge is now the #1 border crossing for Agricultural product from Mexico.

Texas Department of Transportation that carries out and implements the regional mobility plan has several billions of dollars of Highway infrastructure projects either ready to construct or well along in the planning stages. Current conversion of Interstate 2 between second Street and Ware road and the elimination of Bicentennial overpass is about 70% complete. The next major project in the region is going to be the addition of four-two lane overpasses at Interstate 2 in Interstate 69C, replacing the one lane overpasses that currently exist. This project will commence in 2020, is estimated to cost \$150 million.

In addition to TxDot, the Hidalgo County Regional Mobility Authority is well underway with the implementation of its strategic plan for the region. The image below illustrates the size and scope projects that are contemplated. Several of which are already under construction.



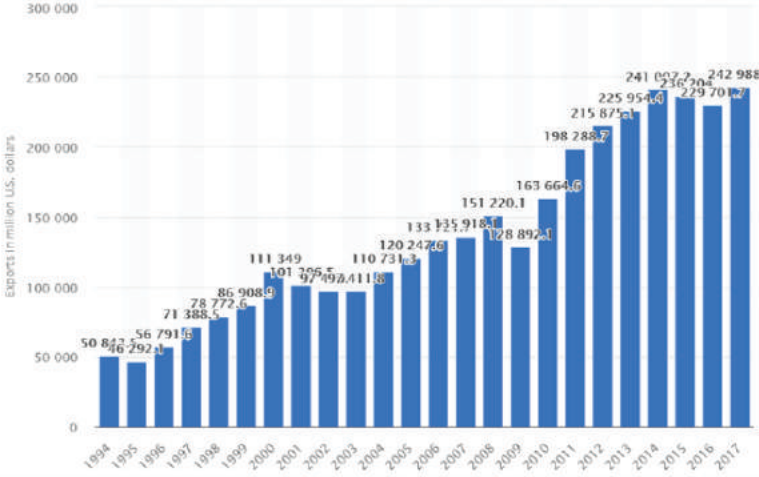


Since 1994, the Rio Grande Valley has benefited from the existence of the North American Free Trade Agreement (NAFTA). Current administration has renegotiated this agreement with Mexico and Canada, and it's now referred to as USMCA (US-Mexico Canada agreement.) Regardless of what is called or how it's ultimately implemented the facts of trade with Mexico are undeniable.

Graph which follows shows the historical growth in billions of dollars of trade with Mexico. Hidalgo and Cameron counties combined with the beneficiaries of over \$42 billion of trade in 2017.

In all likelihood the changes in the rules with Mexico and Canada may have a lot of unintended consequences that are difficult to predict at this moment but may in fact be very beneficial to the region, Texas, and the nation. Only time will tell.

**U.S. goods exports to Mexico under NAFTA from 1994 to 2017 (in nominal million U.S. dollars)**



International traffic between the bridges in Hidalgo and Cameron County are measured by this table. It shows the substantial growth from 1996 through the third quarter of 2018 and all manners of transportation across these 12 international bridges.

<b>BROWNSVILLE</b>	<b>1996</b>	<b>2017</b>	<b>2018 3rd Q</b>
Bus Passengers	111,400	43,733	35,817
Buses	5,570	6,476	4,660
Pedestrians	3,801,203	2,761,819	2,132,333
Personal Vehicle Passengers	15,184,067	10,047,891	7,521,275
Personal Vehicles	6,073,623	4,859,573	3,566,735
Rail Containers Empty	39,248	79,696	63,175
Rail Container Full	11,640	9,275	8,330
Trains	726	829	708
Truck Containers Empty	111,788	99,523	75,668
Truck Containers Full	113,868	164,368	114,727
<b>HIDALGO</b>			
Bus Passengers	804,442	249,524	202,360
Buses	40,277	20,840	15,078
Pedestrians	2,603,443	2,185,335	1,610,539
Personal Vehicle Passengers	21,070,912	9,177,083	6,701,596
Personal Vehicles	6,098,540	4,401,115	3,268,083
Rail Containers Empty	0		
Rail Container Full	0		
Trains	0		
Truck Containers Empty	42,448	195,124	132,349
Truck Containers Full	93,660	529,558	356,703



## Air Transportation

In McAllen has emerged as a regional air transportation center serving the 4th fastest growing metropolitan area in the United States. The McAllen International Airport offers non-stop service to Houston, Dallas-Fort Worth, Mexico City, Las Vegas and seasonal service to Los Angeles, California and Orlando, Florida, via American, United, Aeromar and Allegiant Air.

Built in 1993 and expanded and remodeled in 2015, the terminal, with its beautiful palm and mesquite trees and gleaming interior terrazzo floors, boasts approximately 138,000 square feet. Approximately 2.4 million people pass through the terminal annually.

### Public Transportation


In 1997 Greyhound Bus Co. and Valley Transit Co. (VTC) merged to form a single operating company. VTC has served the Rio Grande Valley for nearly 70 years. VTC services Valley cities from its McAllen and Harlingen transit centers. It also provides service to all parts of the U.S. In addition, VTC is a major transit link between McAllen and Reynosa, Mexico. VTC has more than 600,000 passengers into and out of McAllen's downtown each year. There are four Mexican-owned bus lines serving the McAllen area. They include Tamaulipas/Noreste Bus Company, Autotransportes CD Mantes, Autobus Turismos Management and ADO Management. In addition, the City of McAllen began local transit services in June 1997 with the creation of the McAllen Express (ME). ME has seven routes serving 60% of the McAllen population from the McAllen downtown area. ME operates six days a week, 12 hours per day. The fare is \$1.00 for adults and \$.50 for children, seniors and handicapped. Rio Transit, a regional rural transit provider that connects other Hidalgo County cities and rural communities, is also in operation. The new Central Station transit terminal located downtown accommodates ME and the other local, national and international carriers. It opened in 2000. It is the hub of regional transportation services in the Rio Grande Valley, providing services to nearly one million passengers annually.

## ■ Railroad

Railroads Rio Valley Switching Co. maintains daily freight service out of Hidalgo County. It started operating in March 1993. Rio Valley Switching Co. has 49 miles of track, running from Harlingen to Mission and a branch to the McAllen Foreign-Trade Zone. Rail service in Mexico aboard Ferrocarriles Nacionales de Mexico, the national railway company, includes a passenger train serving Matamoros and Reynosa, Mexico, and continuing to Monterrey, Mexico. Same-day connections to Mexico City can be easily made in Monterrey.

## ■ Construction

General Construction Building permit values in Rio Grande Valley cities rose from \$573 million in 1996 to an all-time high of \$1.3 Billion in 2004 and \$1.2 Billion respectively in 2005. McAllen leads the Valley with \$263 million respectively.





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