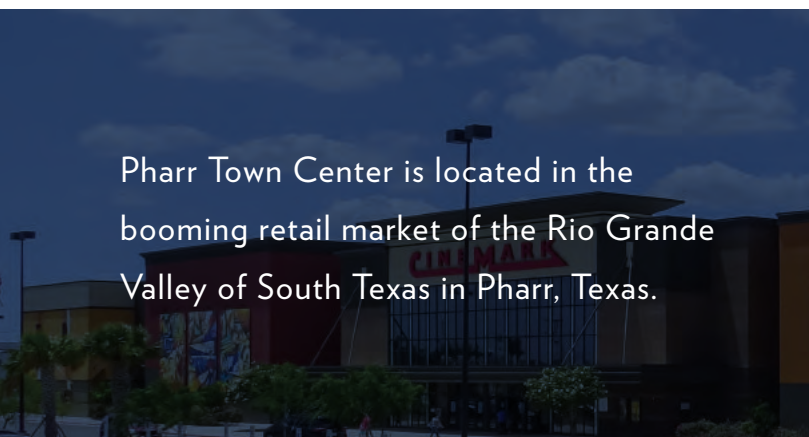




Pharr Town Center

PHARR, TEXAS



Pharr Town Center is located in the booming retail market of the Rio Grande Valley of South Texas in Pharr, Texas.



Pharr Town Center

500 N. JACKSON ROAD, PHARR, TX 78577

Located in the booming retail area of Pharr, TX, part of the wider, high growth Rio Grande Valley MSA ("RGV") of South Texas, Pharr Town Center is world class, 470,000 SF shopping destination. The center is home to several high-profile, nationally recognized tenants, including Academy, TJ Maxx, Bealls, JoAnns, Main Event, Ross Dress for Less, Five Below, Buy Buy Baby, Cost Plus World Market and Cinemark Theatres. In addition, the project has several wonderful restaurant options, including Pappadeaux and Luby's Cafeteria, with more on the way. The project was fully developed and completed at the end of 2017.

RGV is one of the fastest growing markets nationally and in Texas. McAllen, part of RGV and the immediate geographic neighbor of Pharr, was named by Forbes as the 3rd best market for job growth (2014) and 1st by the U.S. Bureau of Labor Statistics (2012). RGV also has one of the best retail markets in Texas. McAllen has the highest actual retail sales per household (retail sales above household income), and 2nd highest per capital and per household retail sales. Much of these statistics are due to daily border traffic from Mexican nationals that comes to the RGV to shop.

AERIAL & GALLERY





LEVCOR

Pharr Town Center

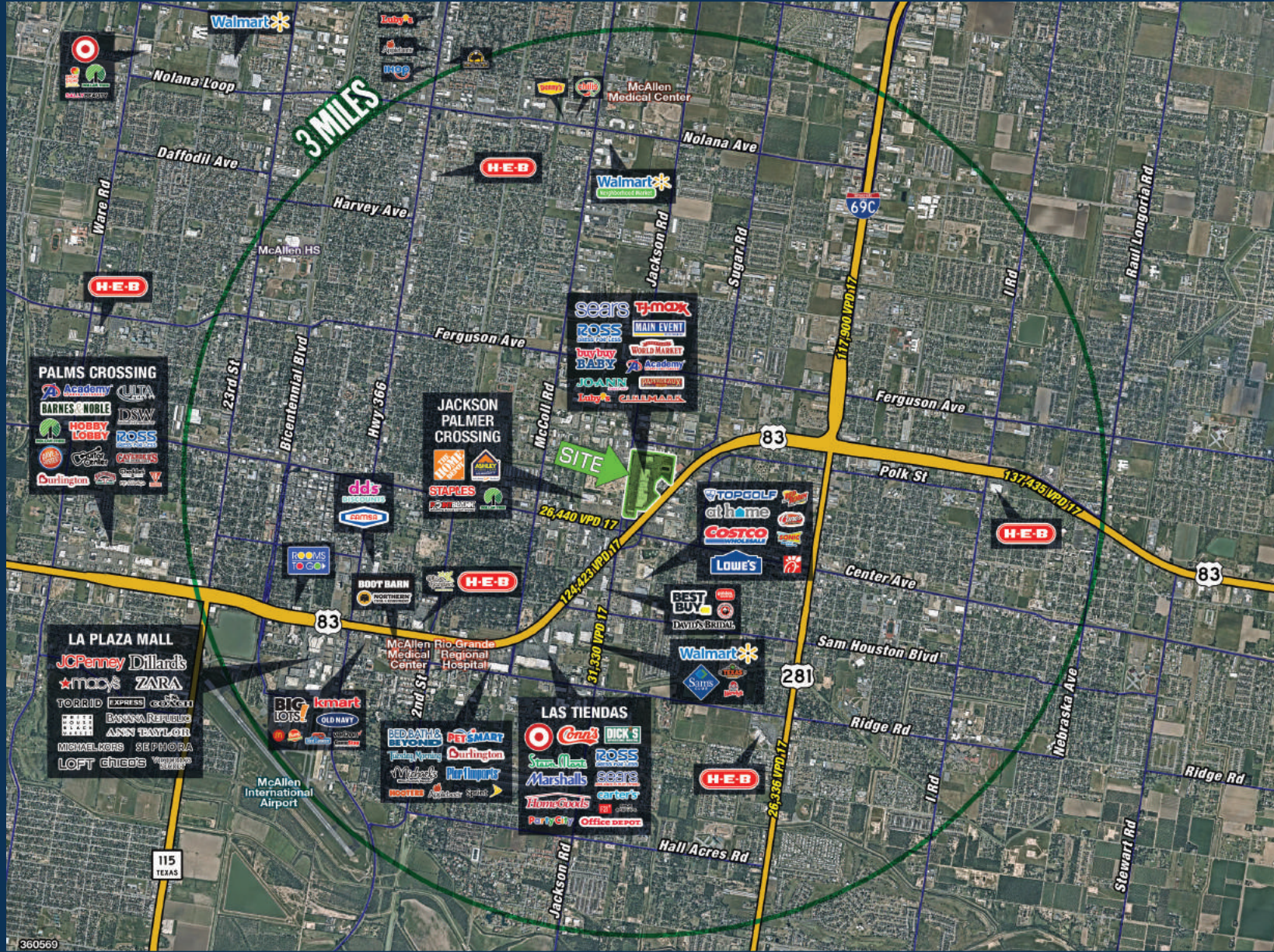
Pharr, Texas

For Leasing Information:

info@levcor.com

713.952.0366

www.Levcor.com



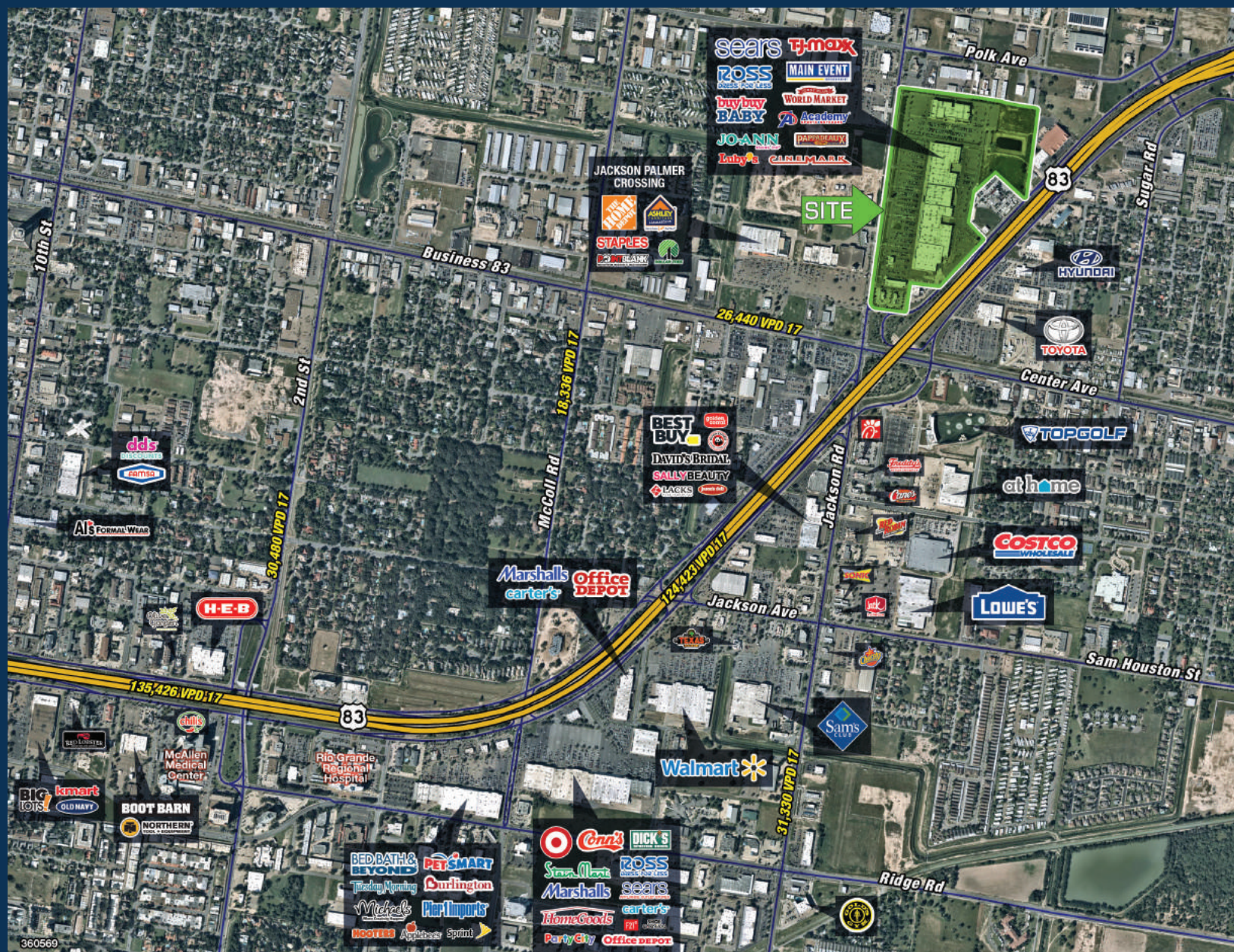
Aerial Site Plan - 3 Mile



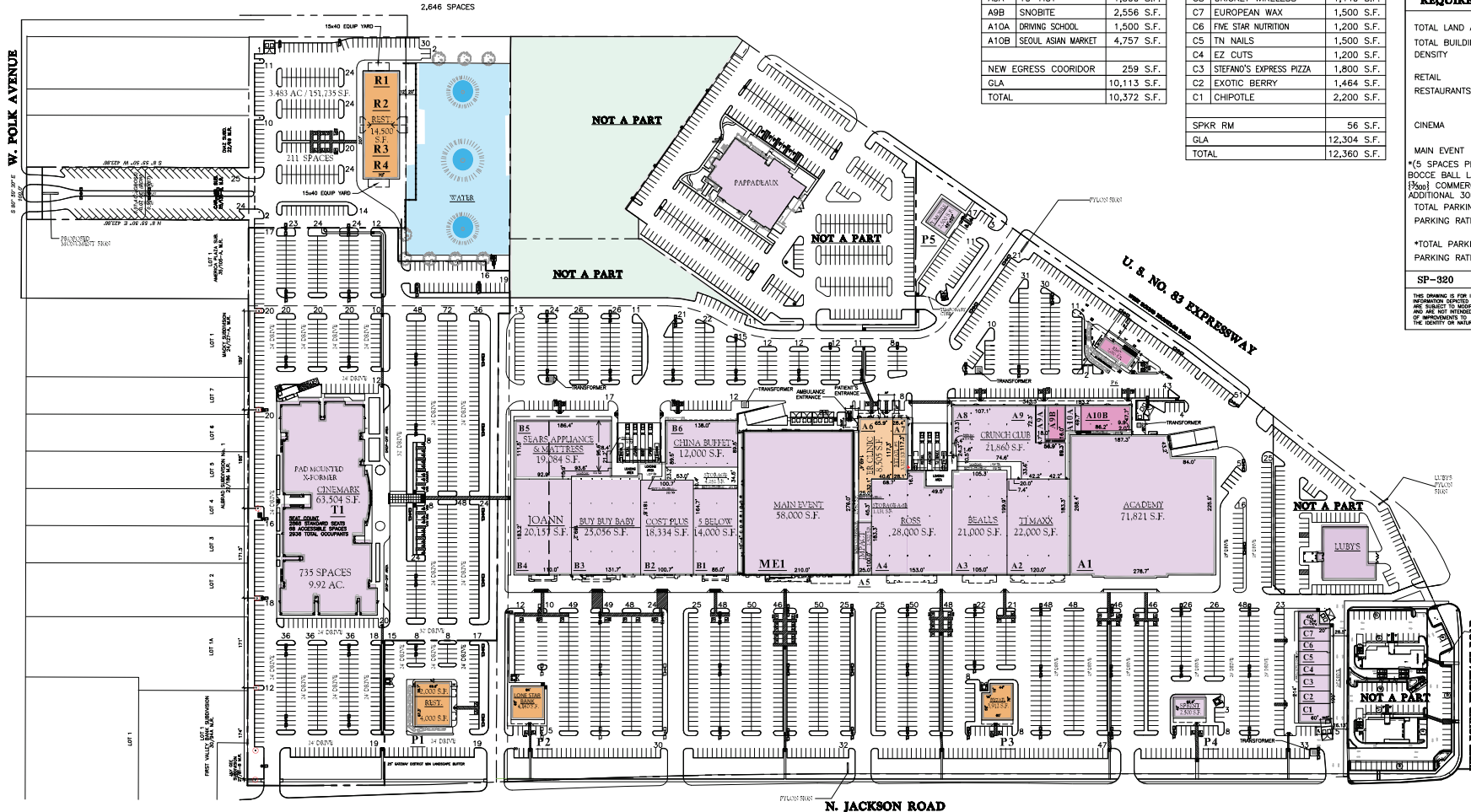
Pharr, Texas

713.952.0366

www.Levcor.com



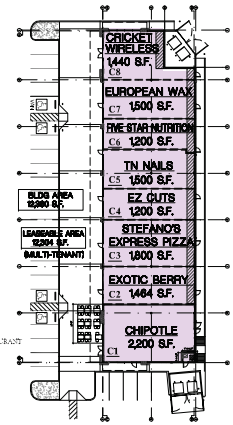
Aerial Site Plan



BUILDING 'A9' - 'A10' TOTALS		
A9A	10' HUT	1,300 S.F.
A9B	SNOBITE	2,556 S.F.
A10A	DRIVING SCHOOL	1,500 S.F.
A10B	SEUL ASIAN MARKET	4,757 S.F.
NEW EGRESS COORIDOR		
GLA		10,113 S.F.
TOTAL		10,372 S.F.

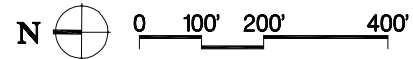
BUILDING 'C' TOTALS		
C8	CRICKET WIRELESS	1,440 S.F.
C7	EUROPEAN WAX	1,500 S.F.
C6	FIVE STAR NUTRITION	1,200 S.F.
C5	TN NAILS	1,500 S.F.
C4	EZ CUTS	1,200 S.F.
C3	STEFANO'S EXPRESS PIZZA	1,800 S.F.
C2	EXOTIC BERRY	1,464 S.F.
C1	CHIPOTLE	2,200 S.F.
SPKR RM		
GLA		56 S.F.
TOTAL		12,360 S.F.

DEVELOPMENT SYNOPSIS REQUIREMENTS PER CITY OF PHARR, TEXAS			
TOTAL LAND AREA	(±48.60 AC.)	±21,17,295 S.F.	
TOTAL BUILDING AREA (GLA ONLY)		468,096 S.F.	
DENSITY		22.0 %	
RETAIL	305,328 S.F. (3 +1/300 S.F.)	1021 SPACES	
RESTAURANTS	41,264 S.F.		
	(1/100 S.F.)	413 SPACES	
CINEMA	63,504 S.F.	2,936 SEATS (1/4 SEATS)	734 SPACES
MAIN EVENT	58,000 S.F.		476 SPACES
*(5 SPACES PER LANE [28 BOWLING LANES AND 4 BOUCE BALL LANES], PLUS 1/100 FOR RESTAURANT, 1/500 COMMERCIAL AND OFFICE; PLUS 1 FOR EACH ADDITIONAL 300 OFA)			
TOTAL PARKING REQUIRED		2,644 SPACES	
PARKING RATIO REQUIRED		5.6 /1000	
*TOTAL PARKING PROVIDED		2,647 SPACES	
PARKING RATIO PROVIDED		5.6 /1000	
SP-320	01 - 22 - 2019	2008-312.009	
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DETAILED FOOTPRINT
RETAIL #5
(BLDG 'C')

- AVAILABLE
- LEASE BEING NEGOTIATED
- UNDER CONSTRUCTION
- OPEN



PHARR TOWN CENTER
PRELIMINARY SITE PLAN
N. JACKSON ROAD @ U.S. EXPRESSWAY 83
CITY OF PHARR, TEXAS
2008-312.009 SP-320 01 - 22 - 2019

LEVINSON • ALCOSER
ASSOCIATES, L.P.
1177 W. Loop South, Suite 900 Houston, Texas 77027
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Interior Design • Landscape Architecture







AREA DEMOGRAPHICS

City (By Rank)	Gross Sales Total	Population	Households (HH)	Per Capita Sales	Per Capita Sales	Avg HH Income	Actual Retail Sales Above HH Income
Houston	\$72,259,404,380	2,238,797	835,664	\$32,276.00	\$86,468.45	\$67,536	\$18,933.40
McAllen	\$3,566,361,554	135,689	43,830	\$26,283.35	\$81,368.05	\$57,055	\$24,313.00
San Antonio	\$28,973,699,397	1,400,026	509,251	\$20,695.12	\$56,894.73	\$60,185	(\$3,290.27)
Dallas	\$21,916,157,238	1,269,197	486,820	\$17,267.73	\$45,019.02	\$64,693	(\$19,673.98)
El Paso	\$8,717,390,875	676,568	229,591	\$12,884.72	\$37,969.22	\$59,859	(\$21,889.78)
Texas	\$436,592,607,432	26,668,922	9,468,956	\$16,370.84	\$46,107.79	\$70,565	(\$24,457.21)

Traffic Counts

US Expressway 83	124,000
N. Jackson Road	25,000

SITE PLAN



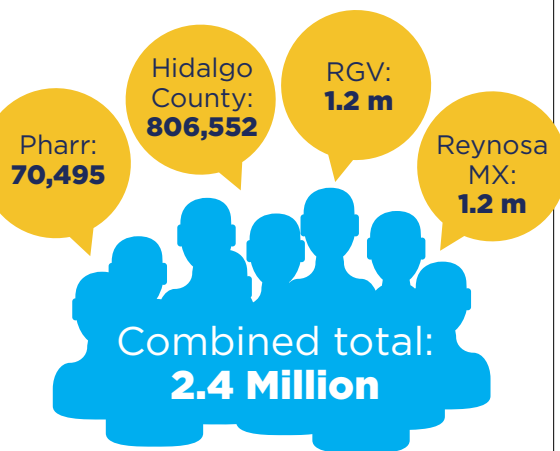


Located in the southernmost region of Hidalgo County, the City of Pharr encompasses 23.72 square miles of land within its city limits. It also contains the planning capacity for 27.86 square miles of land as part of the Extra Territorial Jurisdiction boundary, for a combined total of 51.5 square miles.

With a robust and rapidly growing population, the City of Pharr has the 13th fastest growing economy in the United States. Known as a hub for business growth and expansion, Pharr continues to exceed expectations by providing the essential tools and resources for both domestic and foreign development in all business ventures.

POPULATION TRENDS

In recent years, Pharr has experienced strong economic growth and development with its population steadily increasing to over 77,000 residents.



EDUCATION

Public and Independent School Districts

Pharr has an outstanding educational infrastructure with 54 campuses and 5 independent school districts:

Pharr San Juan Alamo ISD
Valley View ISD
Hidalgo ISD
IDEA Charter Schools
Vanguard Academy

Access to Higher Education

With more than 70,000 students, the Rio Grande Valley is emerging as a center for higher education in South Texas. Several institutions educate the area workforce, including:

University of Texas Rio Grande Valley
South Texas College
University of Phoenix
Texas A&M School of Public Health
Texas A&M University - Kingsville
Texas A&M University - McAllen (COMING SOON)
Our Lady of the Lake - La Feria



LABOR MARKET

Pharr has a highly desirable demographic profile for businesses in a variety of industries. The median age is 29 years and 85% of the workforce is bilingual. This population of young, educated individuals allows businesses to evaluate and select the best possible candidates.

Total Civilian Workforce: **339,840**

Civilian Workforce Unemployment Rate: **7.6%**

Pharr Civilian Workforce Unemployment Rate: **6.3%**



CONNECTIVITY & TRADE

Pharr is a key point of entry for trade, providing air, sea, and land access to international and domestic markets via:

The Pharr International Bridge
Interstates 12 and 69
Valley International Airport
McAllen Miller International Airport
Brownsville International Airport
The Port of Brownsville

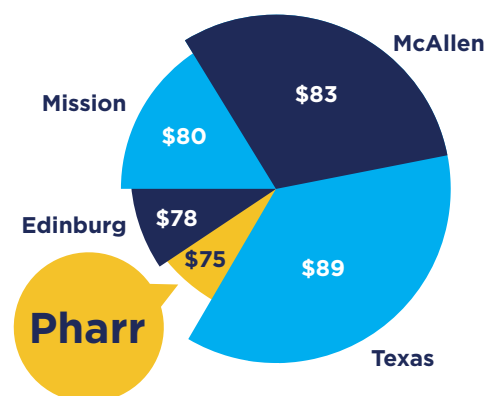


HIDALGO AREA LARGEST EMPLOYERS

Residents in Pharr work in a variety of industries. Some of the area's largest employers include:

- HEB Foods
- University of Texas Rio Grande Valley
- Doctors Hospital at Renaissance
- Woodcrafters
- General Electric
- International Paper

COST OF LIVING INDEX



HOUSING UNIT SUMMARY

Living in Pharr, you get all the benefits of having a large city nearby without the high price tag. Compared to the rest of the country, Pharr's cost of living is 25.4% less than the national average. This allows residents in Pharr to enjoy a great lifestyle for less.

Housing Unit Summary	Total	Own	Rent	Vacant
Current	\$22,889	60.5%	39.5%	12.7%
2010	\$21,952	64.4%	6,574%	15.9%
2013	\$23,094	61.3%	38.7%	13.9%

CITY INCOME SUMMARY

	2015	2010	2013
Median Household Income	33,294	29,527	32,087
Per capita Income	12,789	11,860	12,964
Average Household Income	44,166	40,372	43,741

PROPERTY TAX STRUCTURE

Entity	Description	Psja Isd	Hidalgo Isd	Vally view Isd
C	City Tax	0.654	0.654	0.654
DR1	Drainage District #1	0.0951	0.0951	0.0951
GHD	Hidalgo County	0.5900	0.5900	0.5900
JCC	South Texas College	0.1850	0.1850	0.1850
S	ISD	1.3992	1.5300	1.2770
SST	South Texas Schools	0.0492	0.0492	0.0492
	TOTAL TAX RATE	2.9725	3.1033	2.8503



ACCESS TO INTERNATIONAL CONSUMERS

→ **67%** of Mexicans said that the primary reason for visiting was to shop.

→ **73%** of visitors stayed in hotels during their visit.

→ **Hidalgo County** is one of the leading destinations for Mexican Shoppers.

Over **\$850m** in spending.

- Saber Research Institute 2012 -

Retail sales projected to reach

\$15 Billion
in the Rio Grande Valley
in the next 15 years.



Frequent Mexican visitors took an average of **48 trips** in the past year.



36% Purchased a vehicle.



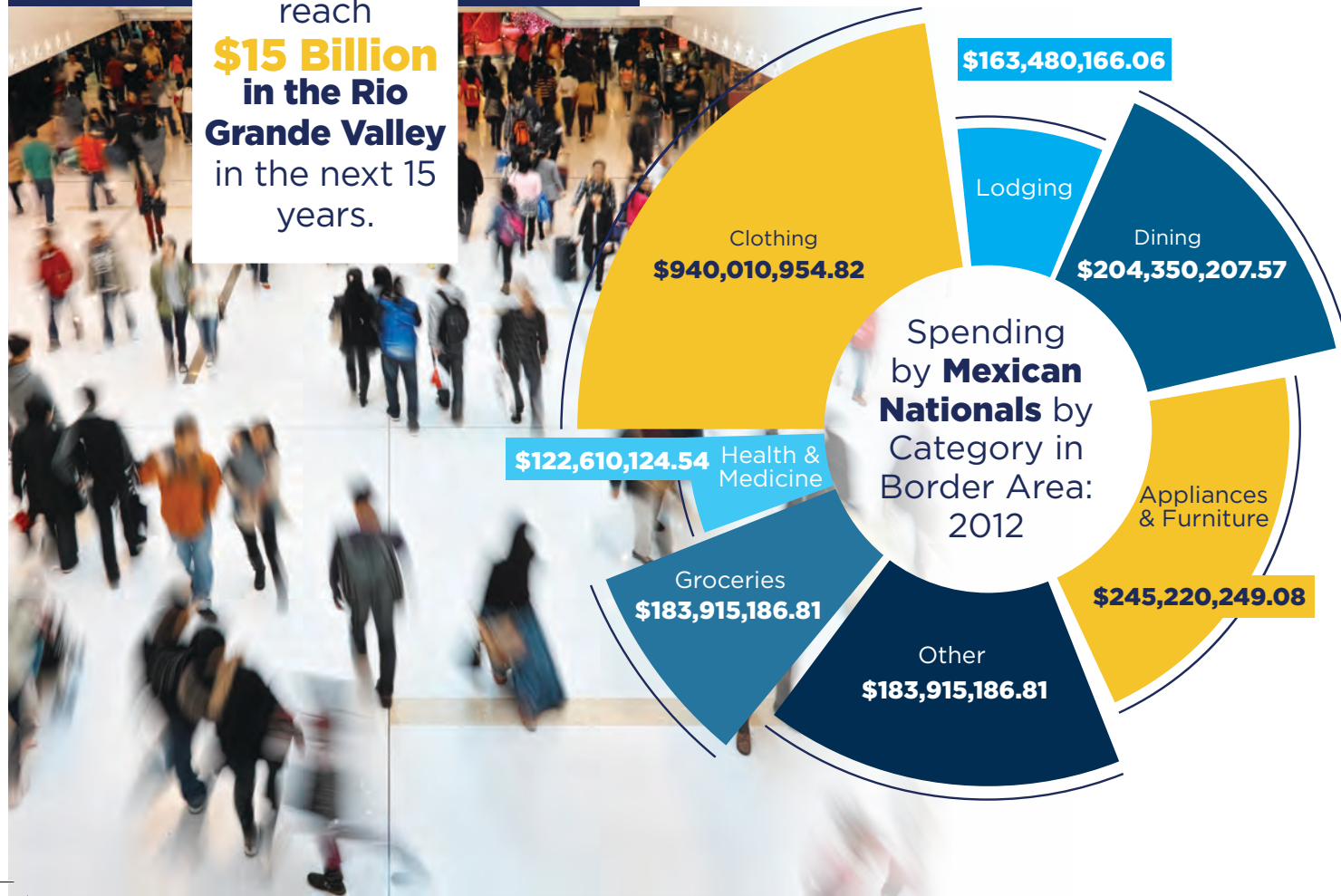
73% Stopped at quick service restaurants.

- According to Neilson -



Radio and TV delivers **1,088,180** unique viewership when Mexican audiences are measured.

- According to Neilson -



Topgolf Announces its 11th Texas Location in Pharr, Near McAllen



The global sports entertainment company plans first venue in the Rio Grande Valley

MCALLEN, Texas, Oct. 5, 2017 /PRNewswire/ -- Global sports entertainment leader [Topgolf](#)® today announced Pharr, near McAllen in the Rio Grande Valley, as home to its 11th location planned in Texas. Topgolf will begin construction on the 55,000-square-foot venue later this year with an expected opening in winter 2018.



"As a family friendly, fun and engaging venue, Topgolf is a trailblazing attraction that meets the entertainment needs of a broad demographic," said Pharr Mayor Ambrosio Hernandez. "The location is superb, the climate is ideal, and this venue is a perfect fit for Pharr – I am proud that our great city was selected as the ideal site for Topgolf's expansion to South Texas."

Through the premium experience of play, food and beverage and music, Topgolf is inspiring people of all ages and skill levels – even non-golfers – to come together for playful competition. Guests can enjoy point-scoring golf games using microchipped balls that score themselves, showing players the accuracy and distance of their shots instantly on a TV screen in their hitting bay. The venue also features an outstanding chef-driven menu, top-shelf drinks, big screen TVs and music in climate-controlled hitting bays for all-seasons comfort. Year-round programming includes events for kids and families, social leagues, golf tournaments, golf instruction and more.

"Pharr represents an opportunity to bring Topgolf to a fast-growing region in South Texas," said Topgolf Chief Development Officer [Chris Callaway](#). "The unique combination of frequent cross-border traffic, a sizable resident population and proximity to a major retail corridor makes it an exciting location for a Topgolf venue."

Topgolf Pharr will create 350 full- and part-time jobs at this location. The new three-level venue will feature 1,975 square feet of private event space for corporate and social gatherings plus 72 climate-controlled hitting bays that can host up to six players at one time.

The 15-acre property will be located along the southeast corner of U.S. Highway 2 and East Frontage Road. Topgolf estimates it will serve approximately 300,000 visitors in its first year of operation. Nearly half of all Topgolf guests describe themselves as "non-golfers."

Residents can track Topgolf's progress in Pharr at facebook.com/topgolfpharr and @Topgolf on Twitter and Instagram.

About Topgolf

What started with twin brothers developing a technology to make golf scoring fun, has turned into a global brand focused on connecting people in meaningful ways. Today, Topgolf continues to blend technology and entertainment, golfers and non-golfers, children and adults – to create an experience that makes socializing a sport for everyone. No matter the occasion or who you share it with, we believe every great time starts with play, is fueled by food and beverage, moved by music and made possible through community. Every Topgolf venue features dozens of high-tech, climate-controlled hitting bays for year-round comfort, a chef-inspired menu for year-round deliciousness and hundreds of Associates eager to help create the moments that matter. With 34 venues entertaining more than 10.5 million Guests annually, original content shows, next-gen simulator lounges, competitive tours, pop-up social experiences and the world's largest digital golf audience, Topgolf is truly everyone's game. To learn more and view exclusive digital content, follow @Topgolf or visit www.topgolf.com.

Media Contacts:

Adrienne Chance

Director of Corporate Communications, Topgolf

Ph: (214) 501-5025

E-mail: press@topgolf.com

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[PHOTO GALLERY](#)

CITY RANKINGS & MARKET RESEARCH

McAllen ranks #1 among these cities in ACTUAL retail sales per household.

Rank	City	Gross Sales Total	Population*	Households*	Per Capita Sales	HH Sales	Avg HH Income	Actual Retail Sales Above HH Income
1	Houston	\$72,259,404,380	2,238,797	835,664	\$32,276.00	\$86,468.45	\$67,536	\$18,933.45
2	McAllen	\$3,566,361,554	135,689	43,830	\$26,283.35	\$81,368.05	\$57,055	\$24,313.05
3	San Antonio	\$28,973,699,397	1,400,026	509,251	\$20,695.12	\$56,894.73	\$60,185	(\$3,290.27)
4	Dallas	\$21,916,157,238	1,269,197	486,820	\$17,267.73	\$45,019.02	\$64,693	(\$19,673.98)
5	El Paso	\$8,717,390,875	676,568	229,591	\$12,884.72	\$37,969.22	\$59,859	(\$21,889.78)
6	Austin	\$17,267,160,650	874,227	361,063	\$19,751.35	\$47,823.12	\$72,437	(\$24,613.88)
	Texas	\$436,592,607,432	26,668,922	9,468,956	\$16,370.84	\$46,107.79	\$70,565	(\$24,457.21)

Source NAI Rio Grande Valley

*Claritas

McAllen ranks #2 among these cities in Per-capita Retail Sales

RANK	City	Gross Sales Total	Population*	Households*	Per Capita Sales	HH Sales	Avg HH Income	ACTUAL RETAIL SALES ABOVE HH INCOME
1	Houston	\$72,259,404,380	2,238,797	835,664	\$32,276.00	\$86,469.45	\$67,536	\$18,933.45
2	McAllen	\$3,566,361,554	135,689	43,830	\$26,283.35	\$81,368.05	\$57,055	\$24,313.05
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Source NAI Rio Grande Valley

*Claritas

- More than 80 of Fortune 500's global manufactures have operations in the McAllen - Reynosa area including General Electric, Panasonic, Nokia, TRW, Bissel, and Black & Decker.
- The largest percentage of shoppers come from Monterrey, Mexico located two hours from McAllen.
- Monterrey, Mexico has a population of three million and is the third largest city in Mexico with the highest concentration of millionaires per capita of any Mexican City.
- Nearby international bridges carry tens of thousands of vehicles into McAllen's trade area every day.





Open in Pharr: Avocado Ripening Facility

January 12, 2018

Index Fresh, an avocado packing and distribution company headquartered in Riverside, CA, recently spearheaded a ribbon-cutting for its new, 60,000-square-foot avocado ripening and packing facility in Pharr, TX. The building, situated on eight acres, is offering a 300-pallet, cold-storage warehouse, geared specifically to accept avocados from Mexico, ripen them, and then send them north to various parts of the United States.

The new facility, in the 90-acre Pharr Produce Park, is the company's second ripening center. Index Fresh also has a center in California. The company handles avocados from Chile, to Peru, to Mexico. Tippmann Innovation designed and developed the building at 110 W. Capote Central Ave.

The Prospect for Major Retail Expansion in the Rio Grande Valley is Predictable

POSTED ON SEPTEMBER 2, 2016 BY HAISTEN WILLIS IN MARKET REPORTS, RETAIL, TEXAS, TEXAS MARKET REPORTS

Last summer, NAI Rio Grande Valley and Michael Uhrbrock, senior vice president of research at the University of Texas Rio Grande Valley, examined eight Rio Grande Valley cities to examine the history of retail sales between 2002 and 2014 and to forecast the future. The cities examined were McAllen, Brownsville, Harlingen, Edinburg, Pharr, Weslaco, Mission and Mercedes.

We were working on a piece for the Rio Grande Valley Partnership's Economic Development magazine. What we learned is quite interesting and presents an unusual view into the future potential for retail expansion in the Rio Grande Valley.

Total retail sales in the eight cities increased \$4.47 billion between 2002 and 2014. Forecasting the future required a view of low, median and high ranges of potential sales. Based on the high projections, it is anticipated that valley sales in these cities will increase by \$13.68 billion between 2015 and 2030.

A number of factors go into the results, but several factors are expected contribute to the expected increases.

Growth in Many Sectors

With 1,450,000 residents, the population of the Rio Grande Valley today is larger than that of nine states. Forecasts show the population will grow to 2.5 million by 2040, which does not include the Mexican population just across the border. With that number included the region will grow bi-nationally to 7 million by 2040.

It's common knowledge that retail follows rooftops. Major retailers expanding into all valley markets will continue unabated.

At the same time, growth in education opportunities is already happening with the merger of the University of Texas—Pan American campus in Edinburg and University of Texas at Brownsville into the University of Texas Rio Grande Valley. Further new education opportunities include the establishment of the UTRGV medical school and a Texas A&M University campus in McAllen.

In addition, South Texas College, with campuses in McAllen, Weslaco and Starr County, will have a combined enrollment of 40,000 by the end of 2017. Collectively, these institutional will transform the region in ways that were only dreamed of a few years ago.



Continued growth in public and private hospitals and allied medical facilities across the valley has already attracted a vast number of medical professionals with high incomes. With the opening of the medical school in the fall, this will continue.

There are 12 international ports of entry in the Rio Grande Valley carrying over \$41 billion in cross-border cargo truck trade. The Pharr Bridge is becoming the No. 1 port of entry for agricultural products from Mexico. Continued growth of U.S. and foreign manufactures into Reynosa, Rio Bravo and Matamoros is brisk. Together, these international activities have a major impact on all forms of regional growth patterns.

Sky-High Expectations

SpaceX designs, manufactures and launches advanced rockets and spacecraft. The company was founded in 2002 by Elon Musk to revolutionize space technology, with the ultimate goal of enabling people to live on other planets. After years of research and a competitive selection process, Space X began construction of its launch facilities in Brownsville. The first launch is scheduled for 2018. It is impossible to know how this will impact the valley, but expectations are high.

At the same time, efforts to bring LNG processing facilities to the Port of Brownsville are in the final stages. A large steel fabrication plant will be under construction soon that will employ more than 1,000.

South Padre Island remains one of the best resort locations in Texas. Beautiful white sand beaches, abundant hotel and condominium selection and improving family entertainment options like Schlitterbahn water park contribute to the demands for a second causeway, further enhancing recreational opportunities.

Eco tourism across the region will not only attract more visitors to the valley but will be a major source of increasing regional hotel occupancies.

In December 2013, Mexico changed its constitution, ending a 75-year monopoly of the state oil company, Pemex, and opening up oil and gas fields to foreign investment. Mexico estimates it will need more than 40,000 new wells to develop its virgin shale fields, with each well costing \$10 million to \$20 million.

Pemex, the Mexican state oil company, can't afford to drill these horizontal, water-fractured wells, but Mexico desperately needs to boost its declining oil production. That's why the country is trying to attract private investors. The Rio Grande Valley is at the gateway to the Burgos Basin oil patch. The future impact on the region is difficult to calculate today.

— *By Michael Blum, Partner/Managing Broker, NAI Rio Grande Valley. This article originally appeared in the September 2016 issue of Texas Real Estate Business.*

[Home](#) > [Newswire](#) > Retail development is surging at the U.S.-Mexico border

Retail development is surging at the U.S.-Mexico border

Publish Date: August 30, 2016

Topics: [border](#), [mall](#), [shopping center](#)

Despite the weakness of the Mexican peso against the U.S. dollar and the emotional politics stirred up by controversial talk of building a giant border wall, Mexican nationals continue to stream across the border into Texas to shop the growing numbers of American shopping centers being built or expanded to accommodate them. Indeed, Mexico residents account for about \$4.5 billion in annual retail sales in Texas counties along the border, according to Tom Fullerton, a professor of economics at The University of Texas at El Paso. This bounty has motivated a cast of international and local developers to expand their retail presence on the U.S. side, particularly in the Rio Grande Valley, which includes the cities of Brownsville, Edinburg, Harlingen, Hidalgo, McAllen, Mission and others.

Among these developers is Simon, which is building a 245,000-square-foot addition to its 1.2 million-square-foot La Plaza Mall, in McAllen. La Plaza, eight miles from the border, is a popular shopping hub for visitors from nearby Reynosa and Saltillo, and also from Monterrey, which is farther away, mall officials say. This new phase, scheduled to open in the fall of 2017, comprises 50 stores, six restaurants and two parking decks.

Some 40 percent of La Plaza visitors travel from Mexico, says marketing director Isabel Rodriguez. In fact, one-third of McAllen's overall retail activity is attributable to Mexican nationals, according to Roberto Coronado, senior economist in the El Paso branch of the Federal Reserve Bank of Dallas.

Also coming to McAllen is a grouping of several new or expanding retail, hotel and mixed-use projects, including the Palms Crossing (expanding) and The Shops at 29th (new), both of which near the McAllen Civic Center, which is under construction. (The city is calling the entire project its own West Side Story.) Plans are for some 200,000 square feet of new retail space there over the next few years.

In Edinburg, northeast of McAllen, locally based Burns Brothers Co. is developing the 500,000-square-foot, mixed-use Resaca Market lifestyle center, pegged for a 2017 opening. The \$250 million, 45-acre project off U.S. Highway 28 will encompass some 350,000 square feet of retail, a movie theater, a hotel, a boardwalk and a man-made lake.

"Retail sales continue to be very strong in Rio Grande Valley, which has grown to a population of over 1.3 million," said Thomas Tyng, a partner at San Antonio-based Reata Real Estate. "For a long time, the Valley was considered a second-tier market, but large retailers looking at Austin and San Antonio are now looking there at the same time." While discount soft-goods sellers such as Academy Sports & Outdoors, Ross Dress for Less and Marshalls have been successful in border cities, the likes of Bass Pro Shops, which opened in Harlingen, and Dave & Buster's, which did the same in McAllen, are doing well too, according to Tyng. Robust residential growth in Edinburg, Hidalgo, McAllen and Mission has helped spur retail growth, he says.

Sprouts Farmers Market has opened two stores in El Paso and is now seeking a third there, according to Bryan Cornelius, a broker and partner at Dallas-based Venture Commercial Real Estate, which represents Sprouts in U.S. border towns. "We have Mexican nationals coming in with coolers and buying all the salmon to take across the border," he said. Much cross-border trade is driven by a lack of retail selection on the Mexican side. Cornelius, a former Payless Shoe Source real estate executive, says Payless stores along the border sell 20 percent to 30 percent more than the typical Payless.

Like Tyng, Cornelius has seen an uptick in higher-quality concepts on the U.S. side. The 3-year-old Fountains at Farah, in central El Paso, developed by Centergy Retail, of Dallas, has a mid-to-high-end mix that includes Altar'd State, Deutsch & Deutsch, Loft and West Elm, he notes. "The notion that all shoppers from Mexico gravitate only to discounters is a misconception," said Cornelius. "Many Mexican nationals coming over the border have lots of money, it's just hard for them to buy what they want at home." Instead of building in northern Mexico, many retailers find that they can serve those same consumers over on the U.S. side without having to put up with Mexican bureaucracy, he says.

Another new project, the 500,000-square-foot, open-air West Towne Marketplace, is set to open on El Paso's west side by year-end 2017. This 63-acre retail-entertainment complex on Interstate 10, developed by El Paso-based River Oaks Properties, will have a grocery anchor, big-box sporting-goods and clothing retailers, a movie theater and some upscale restaurants.

Also in West El Paso, work has begun on the mixed-use Montecillo Town Center, just north of Ciudad Juárez. Locally based EPT Land Communities is planning 104,000 square feet of retail, including a grocery and an Alamo Drafthouse cinema, some

residences, a hotel and office spaces. This is only the first phase of the 292-acre project, which will eventually comprise 400,000 square feet of retail and 8,000 living units.

The Outlet Shoppes of Laredo, under construction across the heavily traveled Gateway to the Americas Bridge, is slated for a March 2017 opening. The 358,000-square-foot first phase, developed jointly by Horizon Group Properties and CBL & Associates, will feature outlet stores for Brooks Brothers, H&M, Michael Kors, The Limited, Under Armour and dozens more. Laredo also boasts the nation's top Walmart by sales per square foot, according to the Laredo Development Foundation. Locally based Killam Development is building phase two of its 350,000-square-foot Paseo Casa Blanca center on the east side, anchored by a 50,000-square-foot Conn's. In Brownsville, CBL's Sunrise Mall added a Dick's Sporting Good in a major renovation last year before bringing H&M aboard this year.

Established retailers on the U.S. side, such as Ross Stores, typically have generous loyalty programs aimed at Mexican nationals, plus bilingual signage and employees, Cornelius says. Simon's La Plaza goes to great lengths to cater to Mexican shoppers: It has bilingual guest-services personnel and three tax-back offices (these issue sales-tax refunds to shoppers taking purchases back to Mexico), a currency-exchange business and two banks to assist them, according to Rodriguez.

Mexico's relatively slow adaptation to online retail continues to boost brick-and-mortar sales on the U.S. side, though a younger, smartphone-toting generation in Mexico is beginning to reverse that, according to an A.T. Kearney report titled 2016: *The Tipping Point for E-Commerce in Mexico*.

In the fall of 2013, Mexican lawmakers increased sales tax in the northern region from 11 percent to 16 percent — about twice what is charged in Texas border cities — which only spurred further cross-border spending. Consumer reaction to the tax has abated and is offset somewhat by the peso's present weakness relative to the dollar, according to Fullerton. "If the peso stabilizes by October or November," the economics professor said, "it could potentially lead to a bumper holiday season for Texas retailers on the north side."



Where The Jobs Will (And Won't) Be In 2015

Susan Adams , Forbes Staff

DEC 9, 2014

If you hope to land a job in the next three months, where in the US will you find the most vibrant employment market? According to the just-released [Employment Outlook Survey](#) from Milwaukee-based staffing giant ManpowerGroup, the No. 1 spot is the Cape Coral "Metropolitan Statistical Area," a city designation coined by the Office of Management and Budget. The Cape Coral MSA, on Florida's west coast 160 miles from Miami, includes Fort Myers.

[Manpower](#) **MAN -2.58%** ranks the top 100 MSAs. Each quarter it surveys employers in those cities about whether they plan to add or cut jobs, keep employment levels the same, or haven't yet decided. In the Cape Coral area, a net 32% plan to hire new staff in the first quarter of 2015. That's a substantial bump up from 23% a year ago. Dana Burnett, economic development director for the city of Cape Coral, says the city continues to rebound from the subprime mortgage crisis and construction jobs abound. "We got hit hard and we're still waking up from that," he says. Hertz announced last year that it was moving its headquarters to Estero, FLA, inside the Cape Coral MSA, and it's in hiring mode. There are also retail jobs at the new Sam's Club opening in January and jobs at a mega-Walmart planned for 2015. A shoe manufacturer, Camuto Group in Bonita Springs, is also hiring.

Cape Coral's robust picture compares favorably with a nationwide seasonally adjusted net employment outlook of 16%. That may not be as strong as the top MSAs on the list but, says Manpower Senior Vice President Kip Wright, "This is one of the most positive outlooks in the last six or seven years. It's the strongest it's been since Q1 of 2008," he says. "We're starting to see that the recovery is sustained, the stock market is improving, oil and gas prices are stabilizing, consumers have more money in their pockets and they're rebuilding their savings." The other plus: while there are plenty of low-wage food service and retail jobs, according to the Bureau of Labor Statistics (roughly one eighth of the new job openings in September 2014 were in retail trade, according to the BLS), there are also many jobs in professional business services, manufacturing, health care and construction.

To gauge companies' hiring plans, Manpower surveyed more than 18,000 US employers, gathering data in the top 100 metro areas. It used a research firm that quizzed hiring managers and human resource professionals by phone and email over the first two weeks of October. The firm asked one multiple-choice question about companies' plans for the first quarter of 2015: How do you anticipate total employment at your location to change in the next three months to the end of March 2014, as compared to the current quarter? Companies could choose four answers: Increase staff. Reduce staff. Keep staff levels the same. Unsure. Then Manpower crunched the numbers and came up with a "net employment outlook." The survey is a rough measure, since it doesn't count the number of jobs employers plan to add or subtract, but simply asks whether they plan to hire or fire.

After Cape Coral, the second-strongest hiring outlook is in **McAllen, TX**, near the southernmost tip of the state. A net 29% of employers plan to hire in Q1, the same number as a year ago. Kelli Stanton, Manpower's regional director for south Texas says there are jobs opening up in construction, durable goods manufacturing, transportation, utilities and professional and business services. There is also a lot of retail construction and new

restaurant chains like Texas Roadhouse. Because it's on the border, McAllen benefits from Mexicans who go there to shop for goods they can't get at home.

Deltona, FLA and Grand Rapids, MI are tied for third place. One of the spurs to Deltona's growth is major construction at the Daytona speedway (Daytona is part of the Deltona MSA) that is adding a new level onto the structure, and across from the speedway workers have broken ground on One Daytona, a huge shopping center centered around a Bass Pro Shop sporting goods store. Grand Rapids is benefiting from a housing revival after the whole state was severely battered by the great recession. Some of the employers that are in hiring mode: Steelcase, Spectrum Health, Mercy Health and [Amway](#) . Cascade Engineering, an auto products manufacturing, is also taking on new employees.

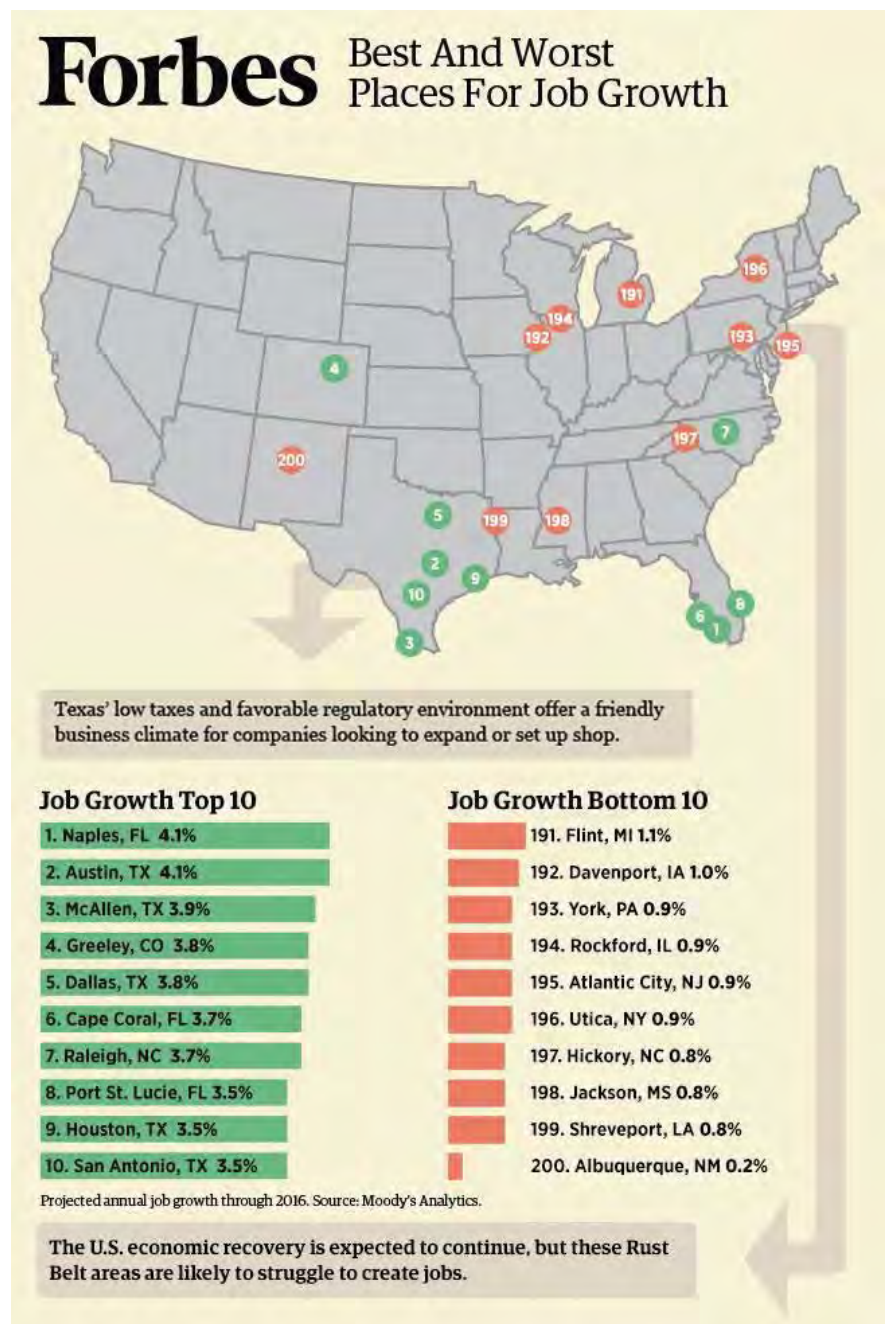
The city with the worst job outlook: Spokane, WA, with only a 2% net employment outlook, though Manpower Business Development Manager Christina Gross says the Spokane economy isn't doing as poorly as that number suggests. "It's a reflection of winter," she says. Retailers hire a lot of temporary work for the holidays and then scale back hiring in Q1." But Spokane also has three health care facilities and an insurer, Premera Blue Cross, that are doing well, and four universities including [Washington](#) State, also generate employment. "We're busier and the overall feel is that people are getting back to work," she says.

Graphic: Best And Worst Cities For Jobs 2014

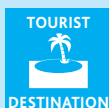
The Florida economy was hammered during the financial crisis as tourism slowed, real estate prices plummeted and jobs disappeared, but the state has crawled back and continues to see heavy net migration into nearly every Sunshine State metro. People are chasing jobs with three Florida metros ranked among the 10 places expected to have the fastest job growth over the next three years and seven among the top 25. Naples leads the way with a projected average annual rate of 4.1%. Unemployment peaked in Naples in January 2010 at 12.2%, but was just 5.4% last month and is expected to stay low. Joining Naples among the top spots for job growth are fellow southern Florida locales Cape Coral and Port St. Lucie.

Texas dominates the rest of top 10 with five metro areas led by Austin at 4.1%, a shade behind Naples. Texas was one of the last states to fall into a recession and one of the first to emerge. A [pro-business](#) government is expected to help spur further job growth in the Lone Star State. The only places with robust job growth outside of Florida and Texas are Greeley, Colo. and Raleigh, N.C., which ranks first on our annual look at the [Best Places for Business and Careers](#). Not all jobs are created equal. Median household incomes in McAllen, Tex. are \$31,700, but nearly twice that level in Raleigh.

The graphic below looks at the metro areas, among the 200 largest by population, that are expected to have the fastest and slowest rates of employment growth through 2016, according to research firm Moody's Analytics. Each of the 200 largest metros is expected to add jobs over the next three years, but the 10 below in red are projected to have the slowest growth with Albuquerque expected to fare the worst with just 0.2% annual growth. The 10 worst metros are scattered across the U.S. representing 10 different states.



ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK

2016-2018
61
1st quintile

2016-2021
17
1st quintile

Best=1, Worst=409

RELATIVE COSTS

LIVING
90%

BUSINESS
89%

U.S.=100%

VITALITY

RELATIVE
121%

RANK
42

U.S.=100%

Best=1, Worst=402

BUSINESS CYCLE STATUS



ANALYSIS

Recent Performance. McAllen-Edinburg-Mission's expansion has hit a speed bump. Payroll employment came to a halt in mid-2017, and year-ago job growth lags the Texas average by the widest gap since 2014. Bucking the trend are business/professional services and logistics. The slowing labor market has caused wage and salary income growth to decelerate. Delinquency rates have maintained their two-year upward trend, putting downward pressure on consumer spending. As a result, retail has been slow to recover from late 2016's Mexican boycott, while leisure/hospitality has remained flat since July following a runup in the second quarter.

Decelerating income growth and growing inventories have provided little support to the housing market, which has experienced sharply slower house price gains over the last year. Although the unemployment rate fell below 7% in the fourth quarter for the first time since 2008, this is because of the decline in the labor force.

Healthcare. Investments in medical education will help the outsize healthcare industry meet growing demand over the near term and support renewed job growth in the MCA economy. Healthcare employs more than one in four workers, and its share of jobs has more than doubled over the past two decades. Population growth that exceeds the state average by almost a percentage point will continue to drive demand for health services and hiring in the industry in the next several years. In response to growing demand for healthcare workers, the Rio Grande Valley School of Medicine enrolled its inaugural class less than two years ago and recently received approval for a new medical building. The increased pool of qualified workers will support the industry's expansion as it creates more than half of net new jobs over the next five years. While the local industry is dominated by low-paying home health positions, growth in

hospitals, which pay much better than average, will partially counteract this trend.

Housing. The housing market will pick up the pace in 2018. More jobs and strong population growth have led to a surge in multifamily building over the last year. Though single-family home sales have slowed and house prices are rising more slowly than those in Texas and the U.S., single-family permits are now well above trend and will soon outpace the state average. Stronger household formation will also boost housing demand over the next few quarters.

Tourism. Leisure/hospitality will downshift over the next few years as income gains trail the Texas average and a weaker peso discourages Mexican tourism. Although hosting the Texas Games and renovations to the Convention Center district will support stronger occupancy, personal income growth will remain firmly below the Texas average in the near term, depressing locally generated consumer spending. In addition, one in five residents in MCA is a non-U.S. citizen, the highest proportion in Texas, and Mexican nationals are major contributors to MCA's outsize consumer industries. Potential changes to U.S. immigration policies pose downside risks to the leisure/hospitality outlook, and the local economy will be hurt if the Trump administration enforces tighter border controls. Tourism and retail would be hit if fewer Mexicans travel north of the border.

McAllen-Edinburg-Mission's service-based economy will resume growth in 2018, bolstered by gains in healthcare, but will receive less support from leisure/hospitality. Above-average population growth will drive strong household formation, countering sluggish earnings gains and propelling housing demand. In the long run, MCA will outperform Texas and the U.S.

Stephen Ciccarella
January 2018

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STRENGTHS & WEAKNESSES

STRENGTHS

- » Large residential and commercial center along the border.
- » Ample supply of young, unskilled labor.
- » Below-average cost of living.
- » Tourist destination for Mexico.

WEAKNESSES

- » Extremely low per capita income.
- » High dependence on local government employment.
- » Below-average educational attainment.

FORECAST RISKS

SHORT TERM



LONG TERM


RISK EXPOSURE
2017-2022

343

5th quintile
Highest=1
Lowest=402

UPSIDE

- » New university drives revitalization of healthcare and tech, raising incomes.
- » Population growth does more to lift healthcare demand, and industry hiring turns out to be stronger.

DOWNSIDE

- » Restrictive immigration policies weigh on labor force growth.
- » Tighter border controls discourage Mexican tourism, hurting consumer industries.

MOODY'S RATING

Aa2

COUNTY
AS OF SEP 27, 2017

2011	2012	2013	2014	2015	2016	INDICATORS	2017	2018	2019	2020	2021	2022
18.6	19.5	20.2	20.9	21.5	21.3	Gross metro product (C09\$ bil)	21.9	22.9	23.8	24.4	25.6	26.8
2.9	4.6	3.9	3.1	2.8	-1.0	% change	3.1	4.7	3.7	2.6	4.7	4.7
226.3	230.4	236.4	242.3	248.1	252.5	Total employment (ths)	258.0	264.0	269.6	273.6	279.0	285.6
2.6	1.8	2.6	2.5	2.4	1.8	% change	2.2	2.3	2.1	1.5	2.0	2.4
11.5	10.6	10.2	8.7	7.9	7.9	Unemployment rate (%)	7.6	6.3	7.1	8.1	8.6	8.8
5.3	3.1	2.5	4.5	4.3	2.8	Personal income growth (%)	3.7	5.4	5.3	4.7	5.3	5.4
33.4	33.8	34.8	35.3	35.7	36.2	Median household income (\$ ths)	37.0	37.9	38.7	39.4	40.2	41.1
794.6	806.6	817.2	829.4	840.1	851.1	Population (ths)	869.3	891.4	913.8	935.7	958.2	981.8
2.0	1.5	1.3	1.5	1.3	1.3	% change	2.1	2.5	2.5	2.4	2.4	2.5
2.8	-0.4	-2.1	0.0	-1.6	-0.8	Net migration (ths)	6.5	10.2	10.4	9.6	10.0	10.9
2,931	2,866	2,572	2,871	2,929	2,921	Single-family permits (#)	2,949	2,866	3,479	3,919	4,738	4,830
183	663	749	633	1,377	1,647	Multifamily permits (#)	1,241	1,289	1,447	1,692	1,960	2,133
141.8	142.1	141.3	147.9	150.9	157.7	FHFA house price (1995Q1=100)	164.3	173.8	175.4	179.9	185.6	192.4

ECONOMIC HEALTH CHECK

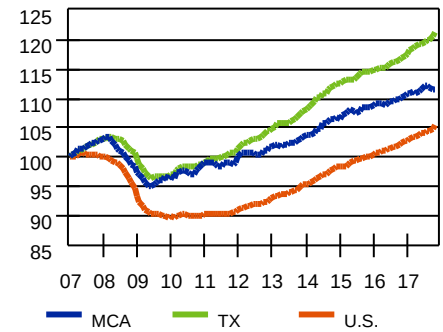
3-MO MA

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17
Employment, change, ths	0.8	0.8	0.4	-0.0	-0.1	0.0
Unemployment rate, %	7.9	7.6	7.3	7.0	6.7	6.5
Labor force participation rate, %	56.5	56.2	56.0	55.8	55.6	55.6
Employment-to-population ratio, %	52.1	51.9	51.9	51.8	51.9	52.0
Average weekly hours, #	31.0	31.1	31.0	30.7	30.8	31.0
Industrial production, 2012=100	105.5	105.5	105.6	106.0	106.4	107.0
Residential permits, single-family, #	2,267	2,339	2,242	2,458	2,619	2,661
Residential permits, multifamily, #	2,020	2,566	2,556	2,134	1,066	1,004
Better than prior 3-mo MA Unchanged from prior 3-mo MA Worse than prior 3-mo MA						

Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX

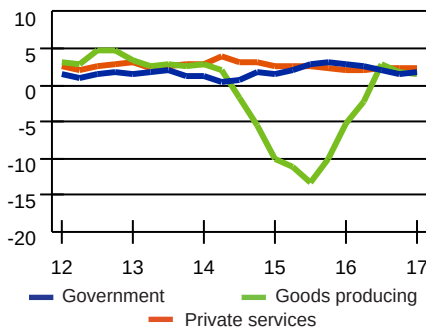
JAN 2007=100



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

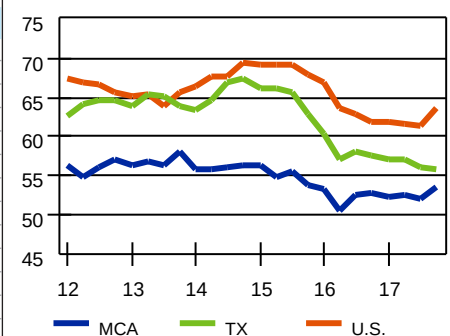
% CHANGE YR AGO, 3-MO MA

	Dec 16	Jun 17	Dec 17
Total	1.9	2.4	2.0
Mining	-20.7	10.1	11.2
Construction	-2.3	5.4	0.1
Manufacturing	-4.0	-1.3	-0.0
Trade	-1.6	-2.5	1.0
Trans/Utilities	0.0	1.1	1.9
Information	-2.8	-2.6	-1.5
Financial Activities	-2.2	0.7	0.7
Prof & Business Svcs.	4.9	3.2	3.2
Edu & Health Svcs.	4.7	5.5	2.2
Leisure & Hospitality	3.6	3.5	4.4
Other Services	1.8	4.0	2.9
Government	3.0	2.2	1.8

Sources: BLS, Moody's Analytics

DIFFUSION INDEX

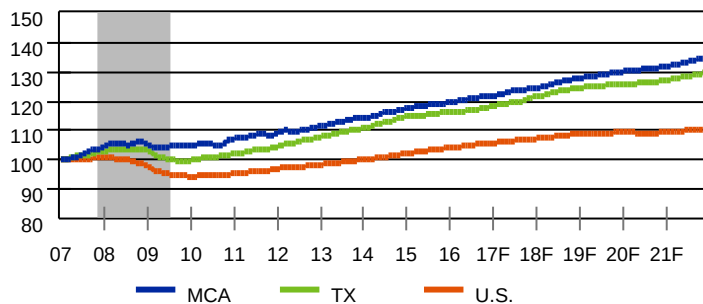
3-DIGIT NAICS LEVEL, 6-MO MA



Sources: BLS, Moody's Analytics

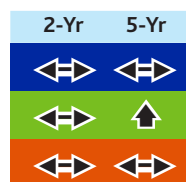
RELATIVE EMPLOYMENT PERFORMANCE

JAN 2007=100



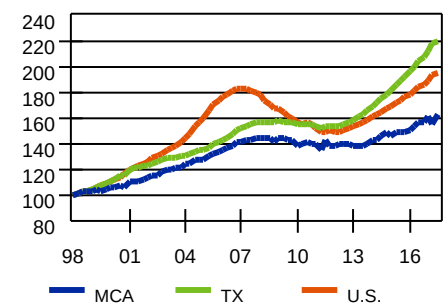
Sources: BLS, Moody's Analytics

FORECAST
VS. 6 MO PRIOR



HOUSE PRICE

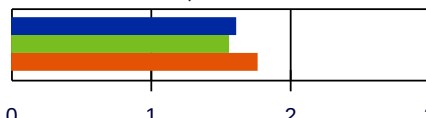
1998Q1=100, NSA



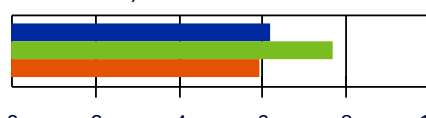
Sources: FHFA, Moody's Analytics

VACANCY RATES

HOMEOWNER, % HOUSES FOR SALE



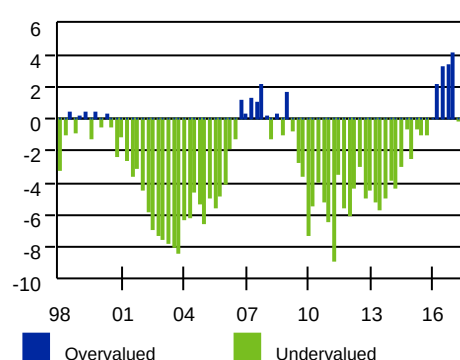
RENTAL, % INVENTORY FOR RENT



Sources: Census Bureau, ACS, Moody's Analytics, 2016

HOUSE PRICE TRENDS

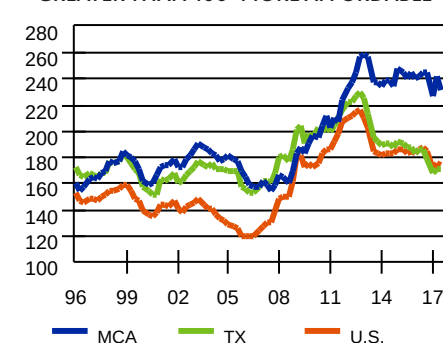
%



Sources: FHFA, Moody's Analytics

HOUSING AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE



Sources: NAR, Moody's Analytics

EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

Edinburg Regional Medical Center	3,000
University of Texas Pan American	2,850
McAllen Medical Center	2,800
Doctors Hospital at Renaissance	2,000
Wal-Mart Stores Inc.	1,850
South Texas College	1,800
U.S. Customs and Border Protection	1,600
BBVA Compass Bank	1,500
International Bank of Commerce	1,200
Rio Grande Regional Hospital	975
Mission Regional Medical Center	950
H-E-B	735
GE Engines	600
Valley Coca Cola Bottling Co.	350
Target	305
Dillard's	300
Home Depot	297
L&F Distributors	280
Glazer's	230
JC Penney Co.	225

Sources: McAllen Chamber of Commerce, 2016, U.S. Department of Housing and Urban Development, 2017

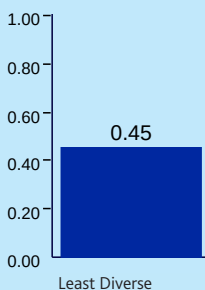
PUBLIC

Federal	4,232
State	8,077
Local	46,120

2016

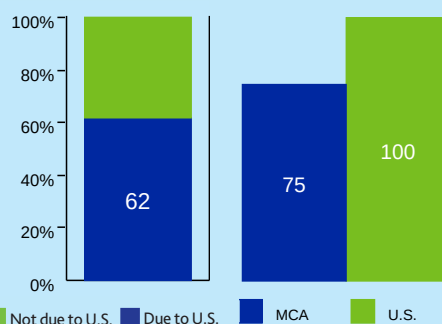
INDUSTRIAL DIVERSITY

Most Diverse (U.S.)



EMPLOYMENT VOLATILITY

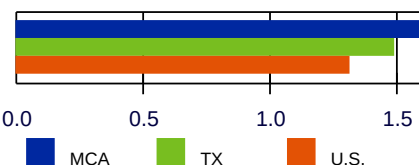
Due to U.S. fluctuations Relative to U.S.



Not due to U.S. Due to U.S. MCA U.S.

ENTREPRENEURSHIP

EMPLOYMENT IN NEW COMPANIES, % OF TOTAL



Sources: Census Bureau, Moody's Analytics, avg 2010-2014

EXPORTS

Product	\$ mil
Food and kindred products	ND
Chemicals	ND
Primary metal manufacturing	ND
Fabricated metal products	ND
Machinery, except electrical	308.6
Computer and electronic products	1,683.6
Transportation equipment	398.3
Miscellaneous manufacturing	ND
Other products	1,618.9
Total	5,214.3

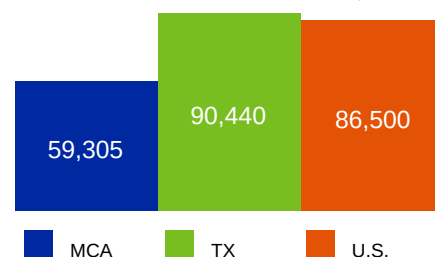
Destination	\$ mil
Africa	12.5
Asia	567.3
European Union	977.2
Canada & Mexico	3,515.0
South America	75.5
Rest of world	66.8
Total	5,214.3

% of GDP	21.8
Rank among all metro areas	24

Sources: BEA, International Trade Administration, Moody's Analytics, 2016

PRODUCTIVITY

REAL OUTPUT PER WORKER, \$



Sources: BEA, Moody's Analytics, 2015

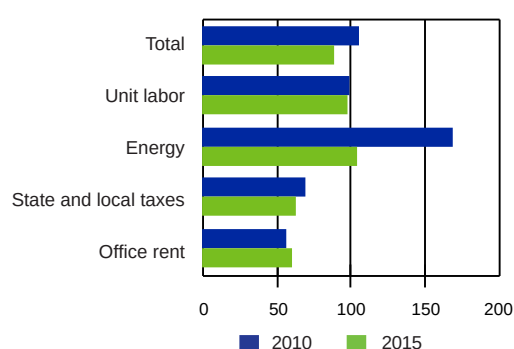
COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
	MCA	TX	U.S.	MCA	TX	U.S.
Mining	0.6	1.9	0.4	\$54,465	\$131,814	\$90,606
Construction	2.6	5.8	4.7	\$35,832	\$71,605	\$67,379
Manufacturing	2.4	7.1	8.5	\$42,882	\$89,524	\$80,835
Durable	51.1	63.8	62.4	nd	\$86,469	\$83,048
Nondurable	48.9	36.2	37.6	nd	\$94,884	\$77,168
Transportation/Utilities	3.4	4.4	3.8	\$38,985	\$68,506	\$64,189
Wholesale Trade	3.3	4.8	4.0	\$57,501	\$84,031	\$80,930
Retail Trade	14.3	10.8	10.8	\$30,999	\$35,939	\$34,829
Information	0.8	1.6	1.9	\$45,228	\$81,462	\$114,771
Financial Activities	3.4	6.1	5.8	\$25,869	\$48,217	\$53,946
Prof. and Bus. Services	6.5	13.6	14.1	\$27,080	\$63,923	\$68,173
Educ. and Health Services	27.6	13.6	15.8	\$34,814	\$53,412	\$54,662
Leisure and Hosp. Services	9.7	10.8	10.9	\$20,132	\$26,370	\$27,790
Other Services	2.2	3.6	3.9	\$28,568	\$34,936	\$36,665
Government	23.1	15.9	15.2	\$61,966	\$69,853	\$77,509

Sources: Percent of total employment — BLS, Moody's Analytics, 2017, Average annual earnings — BEA, Moody's Analytics, 2016

BUSINESS COSTS

U.S.=100



Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
MCA	2.4	0.9
U.S.	6,937.1	4.8

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
MCA	14.2	5.6
U.S.	13,565.7	9.4

Source: Moody's Analytics, 2016

LEADING INDUSTRIES BY WAGE TIER

NAICS Industry	Location Quotient	Employees (ths)
GVF Federal Government	0.9	4.1
ML Total Military Personnel	0.5	1.8
2131 Support activities for mining	2.6	1.4
3222 Converted paper product manufacturing	1.2	0.6
GVL Local Government	1.8	45.5
6221 General medical and surgical hospitals	1.2	9.5
6211 Offices of physicians	1.5	6.6
4841 General freight trucking	2.0	3.5
6216 Home health care services	10.3	23.9
7225 Restaurants and other eating places	1.1	19.4
6241 Individual and family services	3.0	11.6
GVS State Government	0.9	7.8

Source: Moody's Analytics, 2016

LEVCOR embraces its mission to develop exciting retail and mixed-use properties. We apply experienced vision and an agile mindset to outperform a competitive market. We act as a trusted partner for our investors and tenants to enable the success of our projects. We deliver innovative and sustainable real estate developments that benefit surrounding communities while representing sound investments for the company.

