

McAllen Economic Development Corporation

"Creating wealth by investing in tomorrow"

MEDC stands for the McAllen Economic Development Corporation. It is a not-for-profit corporation under contract with the City of McAllen to create jobs for McAllen by attracting new industry and helping existing companies to expand. The MEDC team works with prospective industrial clients, handles marketing and public affairs, and provides corporate support to existing manufacturing and supplier companies. Industrial clients are individuals who represent companies or industries looking for a site to expand or relocate their plant or service operation. They include the full realm from suppliers to manufacturers.

Does MEDC promote business location in Mexico?

Labor availability and cost, strategic location for distribution, turn-key operations and land availability have promoted companies around the world to view Mexico as an attractive alternative in their relocation decision-making. Many of the companies that have moved to Reynosa, Mexico have also established offices in McAllen and almost all of them have key employees who live on the U.S. side of the US/Mexico border. This location decision creates a win-win situation for both Reynosa and McAllen. MEDC offers information and assistance for industrial relocations to Reynosa, Mexico. There is no charge for the services provided by the McAllen Economic Development Corporation.

MEDC Staff Directory

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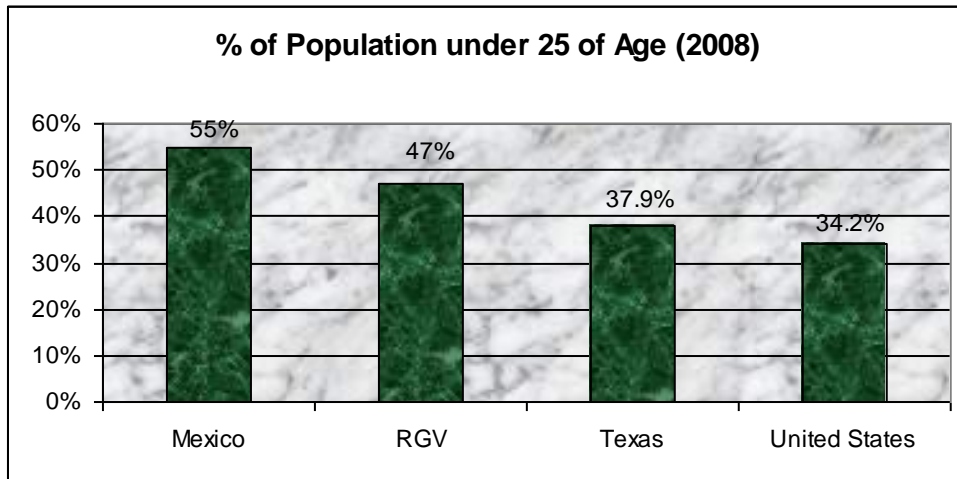
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The McAllen MSA is outpacing the rest of the nation in population and job growth. A very large, young, trainable labor force and extraordinary business opportunities created by the city's growth are just a few of the reasons McAllen/Reynosa has become the primary sites for companies setting up operations on the United States/Mexico border.



Most companies are striving for market leadership and profitability in a very dynamic environment. A site location that will give them access to new markets and a globally competitive cost structure is an important part of this equation. McAllen, Texas provides such a location, centrally located in the largest trading block in the world.

With the implementation of NAFTA and the continued integration of the maquilas operations, many companies are recognizing the McAllen MSA as an excellent location for their regional and corporate-support facilities. McAllen provides companies with close proximity to their principal manufacturing plants and the emerging new markets in Mexico, Central and South America. The McAllen MSA is home to nearly 100 Fortune 500 company operations.

McAllen, Texas truly makes “cents” to those companies with the foresight to lead the competition in a rapidly growing global marketplace. Consider these factors:

- Excellent quality of life
- High-tech medical facilities
- Comprehensive financial services community
- Demonstrated logistics advantage necessary to reach existing and new markets, and Bicultural/bilingual population

The McAllen Economic Development Corporation (MEDC) provides companies with turnkey location assistance. With its array of locally available services, the MEDC facilitates the location process from:

- Project feasibility to site selection
- Construction of offices and manufacturing plants, production, and
- Finding the right service providers to meet a company’s needs in logistics, transportation, accounting, legal, financial services, employee selection and training.

In its December 2006 report, the U.S. Labor Department showed stronger than expected job growth, with a net gain of 167,000 jobs in the month. Nevertheless, 10 million and 35 million worker shortages are predicted respectively for 2010 and 2035 in the U.S. economy. By 2008, the Bureau of Labor Statistics estimates the U.S. economy will create 161 millions jobs but will have a labor pool of just 154 million American workers to fill them. In this world of labor shortages, the McAllen MSA has an abundant labor pool of young, eager job candidates at globally competitive wage rates and world-class production capability.

The efforts of the MEDC and its Foreign-Trade Zone (FTZ) have contributed to the success of the city of McAllen in the field of economic development. A number of important factors indicative of this success are:

Between January 1988 and March 2008, 250 new companies have set up operations in McAllen and 326 in Reynosa, for a total of 576 new facilities. When combined with expansions of these facilities, the MEDC was involved in the creation of over 120,000 new jobs.

According to the Reynosa Maquiladora and Manufacturers Association (RAMMAC), 28 new foreign firms are expected to begin operations this year of 2008 in the Northern Tamaulipas border, creating over 3,000 new jobs. 17 of these companies will build facilities and begin operations in the Reynosa area, while the other 11 firms will open plants in the Rio Grande Valley communities like Mission, McAllen, Pharr and Edinburg.

Maquiladoras

A maquiladora is a U.S. or foreign-owned manufacturing facility that processes or assembles components into finished or semi-finished products for export to other countries. Some of the more well-known U.S.-based companies located in Reynosa are:

Corning Scientific
R. R. Donnelly & Sons
Eaton Corporation
Kimball Electronics
Delphi Automation Systems
Emerson Electric
General Electric
Hoffman Engineering
Converse, Inc.
Johnson Controls, Inc.
TRW, Inc. West Bend,
Whirlpool
Maersk Medical
Austin Sculptures
Black & Decker
C. R. Bard
Seagate Technologies
Wells Manufacturing
Tenneco Automotive
Kohler
Nibco
Corning Cable Systems
Vanity Fair

As can be seen, a number of foreign-owned facilities have located manufacturing and support operations in Reynosa and McAllen. It is important to note that most of these companies have located new facilities in the McAllen MSA due to the ratification of NAFTA. If there is any one clear indication that NAFTA has benefited the McAllen-Reynosa area, this is it.

The maquiladoras in Reynosa are producing a wide assortment of goods including (but not limited to) televisions, automotive seat belts and components, electric motors, women's intimate apparel, books, ceramic goods, brass and steel valves, office furniture, radios, computer chips, fiber optic cable, circuit boards, control valves, cellular telephones, computer hard drives and computer monitors.

Strong leadership, an aggressive business environment and diverse cultural opportunities are just a few of the reasons why the McAllen MSA has become so successful. Add to this the young and trainable labor force (median age is 26 in the McAllen MSA and 21 throughout Mexico) the city's opportunity for growth is astounding.

Foreign-Trade

Zone The McAllen Foreign-Trade Zone (FTZ) is located south of McAllen between McAllen and Reynosa. Commissioned in 1973, it was the first inland FTZ in the United States and continuously ranks among the most active FTZs in the nation. The original McAllen FTZ encompassed 80 acres of developed land that contains more than 575,000 square-feet of warehouse and office space. There is also a Foreign- Trade Zone designation site at the McAllen-Miller International Airport to facilitate air cargo needs. Under U.S. and Mexican laws and NAFTA provisions, the FTZ designation offers specific cost-saving opportunities to manufacturers. To enhance the original site, the McAllen FTZ has added 695 acres in the new 900-acre Class-A Business Park being developed by Hunt Valley Development, a subsidiary of Hunt Oil Company.

Products can be brought into the FTZ duty-free. While in the FTZ, components can be manipulated or stored in a variety of ways. The FTZ services are extremely important to Just-In-Time (JIT) manufacturing. Services have recently extended to include full logistic support services including public warehouse services including pick & pack, order processing, inventory control, incoming/outgoing quality inspection and kitting.

The FTZ offers:

Warehousing / Storage - Full-service public warehousing - In-bond storage of goods in fenced, secured buildings with 24-hour security, and entry/exit regulated by U.S. Customs, with flexible spaces at competitive rates. Leasing ranges from 64 cubic foot bins to 50,000+ square-foot warehouses and include time schedules to accommodate specific needs; daily, weekly and annual terms with the flexibility to adjust to seasonal market demands.

Material Handling / Manipulation - Load and unload, verify and label all shipments to client's specifications - paying for labor on a per shipment basis, re-label, repackage, inventory, manipulate or ready product for distribution using trained, in-bond MFTZ personnel.

Tailor-Made Services - Administration and preparation of in-bond documentation and Customs forms as well as training and supervision of personnel, traffic control and coordination, computerized inventory/activity reporting, and shipment scheduling.

For more information on the McAllen Foreign-Trade Zone, go to <http://www.medic.org>.

McAllen MSA Business Development

The MEDC has been particularly successful in the recruitment of companies to locate on the United States side of the border. Due to the location of McAllen, coupled with the location of Hunt Valley Development's Sharyland Business Park, McAllen has gained international recognition in the relocation process and is a site that is virtually unbeatable anywhere in the world. The MEDC has specialists who work with companies to provide the expertise in locating facilities to this rapidly growing area. Many reasons help to account for this tremendous surge in relocation/expansion of corporations.

- Labor availability
- Land costs
- Utility credits
- Potential property tax abatements
- Enterprise Zone designation
- Freeport exemption
- Foreign-Trade Zone
- Texas tax saving program
- Employee training incentives
- Incubator program
- Partnership for Business and Industry Training
- Center for Advanced and Applied Technology

Among them are: In addition to the successful recruitment of industrial facilities, the MEDC has successfully placed several major call center operations in the area. West TeleServices, Convergys, TicketMaster and Western Wireless are some of the more recognizable new arrivals.