

McAllen on the Move:

South Texas City Continues to Lead with Growth and Development

BY BRANDI SMITH

A powerhouse city. Boomtown. The epicenter of the Rio Grande Valley. There are plenty of ways to describe McAllen, Texas, but they all have one thing in common: growth.

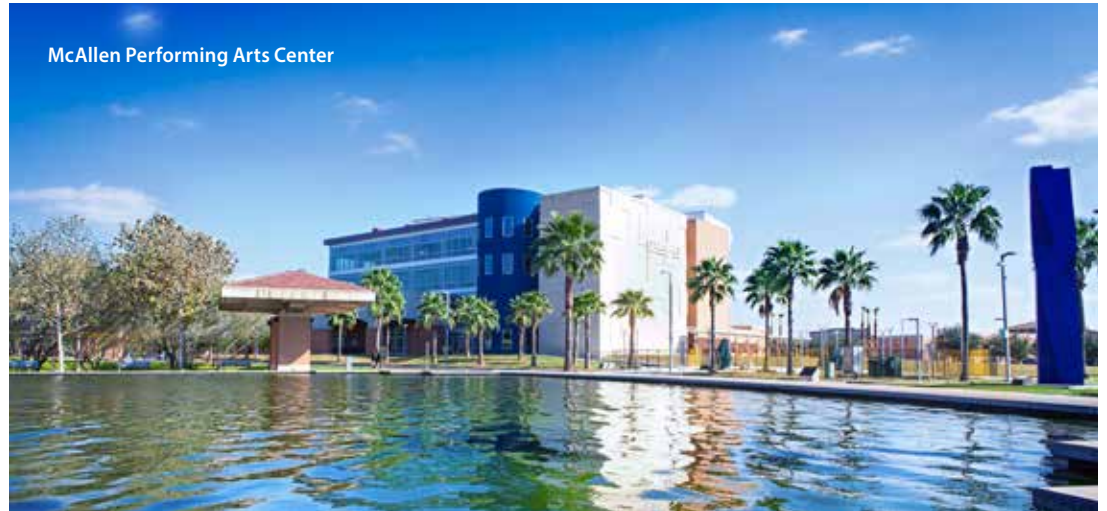
“With the volume of consumers that comes in to McAllen daily, our city has developed a robust economy,” says Rebecca Olaguibel, the city’s Director of Retail and Business Development.

The numbers are incredible for a city its size. With a population of around 140,000, McAllen generates more than \$3 billion in gross retail sales thanks to 18 million people (an average of 39,000 people per day) who visit the city every year. It’s just 10 miles north of the Mexican border, so international visitors flow through it via McAllen International Airport and the two international bridges managed by the city.

“It’s truly a geographic jackpot,” says Olaguibel, who has worked for the City of McAllen for 12 years.

Its retail offerings are part of the draw of McAllen, making it the premiere shopping destination in South Texas and northern Mexico. While new shopping centers and big box retailers open up new locations there, city leaders say it’s important to recognize the critical role small businesses play in the overall success of McAllen. That’s why they

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McAllen Performing Arts Center



McAllen Performing Arts Center



Quinta Mazatlan



McAllen Convention Center

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recently announced a matching grant program designed to enhance some of the most trafficked corridors within the city.

“The vision behind our revitalization grant is simply to support small business owners with funds to improve the look of their storefronts,” Olaguibel says. “We’ve had an overwhelming amount of positive feedback and some grants have already been launched.”

The grants of up to \$15,000 can be used for storefront improvements, covering anything from facade painting, to landscaping, to lighting. The designated areas include 10th Street from Houston Ave. to Nolana Ave.; U.S. Business 83 from McColl Rd. to 29th St.; 23rd St. from Idela Ave. to Pecan Blvd; and S. Ware Rd. from Idela Ave. to Pecan Blvd.

“We’re trying to help our small businesses with this token of support,” explains Olaguibel. “As

a city, we want to stimulate and improve the physical, economic and cultural vitality of McAllen’s most visited areas.”

The city can do that with the confidence of a AA+ rating from Finch, which looked at a variety of factors, including revenue and expenditure frameworks. The financial rating agency has bestowed that rating on the City of McAllen’s \$5.6 million general obligation refunding bond, as well as its \$101 million in outstanding GOs and long-term issuer default. According to Fitch, “the ‘AA+’ GO and IDR reflect the city’s strong operating performance and prudent budget practices that have resulted in ample financial flexibility.”

“The rating reflects the responsible fiscal management of McAllen tax payer dollars,” Mayor Jim Darling said in a press release. “Additionally, the continued strength of our retail economy here in McAllen, as well as an emerging healthcare

industry, demonstrates that this area of South Texas is stable and prosperous.”

As it offers up opportunities for existing businesses, Olaguibel is also looking to real estate developers for new opportunities that would be a good fit for the city.

“We want to partner with developers who share our vision. If there is a developer out there with a big idea, we want to hear about it,” she says.

The 2,500-acre Tres Lago subdivision in North McAllen is representative of that kind of partnership’s success. The new and innovative development boasts 5,000 single-family homes along with amenities such as parks, pools, sports fields and hike-and-bike trails. It also features a commercial component, the centerpiece of which is Texas A&M’s Higher Education Center.

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FOR SALE

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SW Houston, Ashford Point, Houston, TX	4.74 acres	\$1,150,000
SW Houston, Synott Rd/ Old Richmond	16.72 acres	\$3,400,000
SW Houston, Cook/ Beechnut, TX	6.31 acres	\$1,650,000
W Houston, Bellaire Blvd., east of FM 1464	2.98 acres	\$1,050,000
W Houston, FM1464, Richmond, TX	1.89 acres	\$ 825,000
Montgomery, Harbor Side Dr., TX	2.59 acres	\$ 330,000
Downtown, 907 Chartres St, (2-story Bldg/Land)		\$ 950,000
Sugar Land, 4502 Riverstone (Office Condo)		\$ 310,000
NE Houston, Auto Shop Business, Building and Real Estate		\$ 900,000
Tatum, TX, State Highway 43 E, 8,000 SF restaurant 11.5 acres		\$ 350,000
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To turn the concept of Tres Lagos into reality, the City of McAllen worked with Hidalgo County and the developer to create a tax-increment reinvestment zone that would encapsulate the project.

“Tres Lagos is one of many developments, projects and business plans that highlight just how creative the city can become when working

harmoniously with developers,” says Olaguibel. “McAllen is a place where developers can truly partner with a community to create something special we can all be proud of.”

She also cites Simon-owned La Plaza Mall as an example of a creative approach to development. The company is adding a 250,000 square foot

expansion that includes two new parking garages and first-to-market retailers and restaurants, such as Kendra Scott, H&M and Yard House.

Power centers are also bringing new retail and entertainment options to McAllen. Shops at 29, for example, is home to anchor Dave & Busters, as well as Ulta and Burlington, while Palms Crossing boasts “just what you need, for every occasion” thanks to a list of retailers that includes Best Buy, Bath and Body Works, and DSW.

“McAllen city leaders developed a strategic plan to provide the best quality of life for the people who live here, as well as the people who visit us every day,” Olaguibel says. “We want to ensure that when you enter McAllen city limits, you know you are in a very special place.”

The city is also home to the McAllen Performing Arts Center, which brings international acts such as Tony Bennett, Julio Iglesias and the Beach Boys along with Broadway shows like Les Miserables and Jersey Boys.

“The McAllen Performance Center has taken our arts and culture scene to the next level,” says Olaguibel.

One of the projects she thinks would make a great addition to McAllen is a mixed-use development offering a live-work-play atmosphere.

“We would love to see the combination of business, retail, office and service in one space,” Olaguibel says.

With a booming economy and business development at an all-time high, she adds that the city is open to any concept that would elevate the quality of life for McAllen’s residents and visitors.

“McAllen is a well-rounded city in deep south Texas. Anyone looking for an opportunity is welcome in our city,” Olaguibel adds. “We’d love to have them on board!” ■

For more information about development opportunities within the City of McAllen, email Rebecca Olaguibel at rmolaguibel@mcallen.net.

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