

“No Place You’d Rather Be”: Economic development organizations capitalize on lure of Texas

BY BRANDI SMITH

New numbers from the 2020 U.S. Census reveal what so many of us in Texas knew already: More people are moving here than any other state in the country. The appeal is clear. Texas offers a business-friendly environment, along with an affordable cost of living, making it ideal for corporations and their employees.

Bringing businesses to the Lone Star State is the easy part. Choosing which community to call home base can be a challenge. That’s where economic development organizations, like the Dallas Regional Chamber, come in.



Sergio Contreras



Jessica Herrera



Tip Johnston



Mike Rosa



Danielle Scheiner

DALLAS

“The DRC works closely with regional cities and the business community to attract significant corporate locations and expansions to the region,” says Mike Rosa, DRC’s senior vice president of economic development. “Six Fortune 500 headquarters have relocated here in the past six years, along with many other headquarters, office, and industrial projects.”

Two of the most recent relocations are financial services giant Charles Schwab and infrastructure firm AECOM.

“The Dallas region continues to lead the nation in population and job growth, providing fuel for the commercial real estate market,” Rosa says. “There’s no place you’d rather be in business today or in the future than Dallas.”

To continue that success, the DRC also works on education, workforce, transportation, quality of life and other fundamental issues important to all the people who live in the region, as well as to existing and future companies.

“We are targeting corporate headquarters and technology companies,” says Rosa. “DFW is attractive to lots of sector and project types, so we’re not limited in our range of possibilities.”

SOUTH TEXAS

At the other tip of Texas, the Rio Grande Valley Partnership drives collaboration and investment across its four-county region, which include Starr, Hidalgo, Willacy and Cameron counties.

“We engage with economic development corporations by bringing investors, developers and bankers into each one of our communities to highlight the opportunities there,” says RGV Partnership president Sergio Contreras. “That way, investors can have a clear picture of the local incentives and targeted industries by the local communities.”

The opportunities in the Valley are many, according to Conteras. The trade industry is creating demand for cold storage facilities throughout the region, which includes a demand for warehouse space. Healthcare is another booming industry, which brings a \$13.7 billion economic impact to the region.

“There’s demand for all types of healthcare, including dentists, orthopedists and more,” Conteras says.

Elon Musk’s decision to build a SpaceX launch site in Boca Chica, near Brownsville, generated increased interest in the space industry as well.

While RGV Partnership helps facilitate those communications among the region’s cities, the South Texas Commercial Association of Realtors, which covers territory from San

Antonio to Brownsville, works at the realtor level.

“We have and maintain contacts with the local EDCs and encourage ‘area developments,’ not just local. What is good for Brownsville is good for South Padre Island, Harlingen, etc.,” explains Vernon “Tip” Johnston, STCAR president and broker with Meybohm Realtors. “We communicate with commercial real estate brokers from out of the area that represent investors looking for new markets that are growing.”

That certainly describes South Texas, where Johnston says open land values have doubled in the past three years.

“Speculators are buying and holding land tracts near or with infrastructure for development. In the past year, most single-family developments sold out before completion. These are 60- to 100-lot subdivisions,” Johnston shares. “Redevelopment of older shopping centers and malls is very strong and those centers are releasing quickly by South Texas standards.”

He adds that demand for smaller industrial/warehouse space (3,000 to 10,000 square feet) is very strong, a bit more than larger spaces (up to 25,000 square feet).

Johnston is currently marketing a fully insulated 38,400-square-foot warehouse at Valley International Airport. The property at 5402 Bodenhamer is 4.49 acres and features dock-high, clear span, ESFR construction with 26 dock doors and three drive-in ramps. It can accommodate up to five aircraft and has parking for 50 trailers and cars.

“I have been fortunate to turn several warehouses recently, but the available inventory is very low at this time,” says Johnston.

The RGV continues to draw interest, despite how the region is sometimes portrayed in headlines. Border communities, Conteras says, have not seen negative impacts for businesses as a result of the immigration surge.

“The market continues to excel and reach new levels of investment across the region,” says Conteras. “Multiple cities are exceeding the prior year’s valuation of permits over the past six to eight months.”

CONROE

When we talk about population growth in Texas, it’s impossible to overlook Conroe. Located 40 miles north of Houston along I-45, the city is one of the state’s fastest growing communities. Roughly 1.6 million potential employees now live within a 40-mile radius of Conroe and more than 2 million workers are available in neighboring Harris County. The commercial real estate opportunities available reflect that.

“Conroe is a popular destination for manufacturing and distribution companies due to

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EDC's

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the community's strategic location, robust infrastructure and highly skilled talent," says Conroe Economic Development Council executive director Danielle Scheiner. "Conroe supports business growth financially and dedicates a portion of our sales tax for incentives and the improvement of infrastructure."

The EDC is capitalizing on that demand by expanding its Conroe Park North industrial park by 610 acres, allowing the organization to continue to aggressively recruit and welcome new companies to the community.

"In addition, landing our first tenant, VGXI, in Deison Technology Park has really cemented our position in the region as a life science manufacturing hub," Scheiner says.

Additionally, the master-planned, mixed-use Grand Central Park is spurring development along the I-45 corridor.

"One of the most exciting projects is a hotel and convention center that will carry the Hyatt Regency name located in Grand Central Park. Located on 7.55 acres directly west of the brand-new Sam Houston State University College of Osteopathic Medicine, the hotel is expected to open in early 2023 and will include a convention center, lounge and bar, outdoor dining, restaurant, pool, fitness center and 30,000 square feet of meeting space," shares Scheiner.

There's no limit to the possibilities in Conroe, which is why the EDC welcomes all businesses that want to take advantage of the city's prime location, infrastructure, workforce and incentives offered by the EDC.

"Our department provides project support from assisting with site selection for new businesses to helping existing businesses grow and thrive," Scheiner says. "Business

leaders benefit from our educational programming, networking opportunities, workforce recruitment support and the personalized assistance offered by our staff. Our robust Business Retention and Expansion program is one of the best in the region and is designed to promote the growth and development of local companies through incentives for expansion and technical assistance."

Already, more than 4,800 employers in a variety of sectors have set up shop in the city.

"Conroe will continue to be exciting to watch develop over the next few years," says Scheiner.

EL PASO

Similarly, El Paso is one to watch. The West Texas city boasts nine institutions of higher education, a population that is 70 percent bilingual and a median age of 32.

"Companies find here the young, talented workforce they need to get the job done," says Jessica Herrera, El Paso Economic & International Development director.

The city's logistics ecosystem is another draw. Featuring six international ports of entry, binational rail and air connectivity, and timely ground freight transit, the El Paso region is now the fifth-largest manufacturing hub in North America.

"Across the city, a number of new-to-market retail brands have successfully expanded into our market recently including Whole Foods, Topgolf, iFLY Indoor Skydiving, Alamo Drafthouse, and Urban Air Adventure Park," Herrera says. "Industrial development has remained strong with construction ongoing at Amazon's new 625,000-square-foot fulfillment center and TJX Companies 2 million-square-foot distribution operations center that together will create 1,650 new jobs."

Downtown El Paso has benefitted from the development demand. Over the past five years, Herrera reports more than \$329 million in private investment that has created more than 300,000 square feet of new and rehabilitated office space, 1,200 new hotel rooms and more than 440 residential units.

"Through visionary leadership, the city has leveraged local and state incentive programs to enable the rehabilitation of historic hotels and bring to life the area's unique identity and history through \$126 million in downtown capital improvement projects," says Herrera. "El Paso's skyline has been dramatically changed with the construction of the new Westar Tower, the first high-rise constructed in the city since the 1970s and now the tallest building in El Paso."

The 18-story tower features 262,000 square feet of Class A office space, 13,000 square feet of ground floor retail and a landscaped public green space.

Herrera says her department offers one of the most business-friendly and competitive tax environments in the nation.

"We use our expert knowledge of local and state incentives to build mutually beneficial partnerships that bring quality jobs and investments to our community. By nurturing relationships across business community leaders, academia, and our workforce development partners, we are able to connect employers and employees," she adds. "In partnership with local business associations and nonprofits, we work to provide training, tools, and resources to local small businesses. Our business retention and expansion team is here to continually engage with and support businesses of all sizes to ensure they have the tools and workforce to succeed today and expand into the future."

The department is currently actively looking to bring in companies in advanced logistics, advanced manufacturing, business support services, life sciences, and tourism. Defense and aerospace companies are also of high interest due to the proximity of the largest regional military complex in the United States.

"Our department's goal is to build a vibrant regional economy through strategic development and redevelopment," says Herrera.

Consistently ranked as one of the safest big cities in the U.S. for two decades, El Paso also basks in 300 days of annual sunshine.

"That makes this community the ideal place to live, work and enjoy life," Herrera says in summary.



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