



U.S. MIDWEST
REGION

TEXAS



BROWNSVILLE-
MATAMOROS
BORDERPLEX

CENTRAL &
BAJIO REGIONS
IN MEXICO



Recalculating Route

The Borderplex,
a key link in the realigned
North American “auto alley”

2014

INTERNATIONAL ECONOMIC
DEVELOPMENT COUNCIL
EXCELLENCE
IN ECONOMIC DEVELOPMENT
AWARDS

SILVER

EJ

Brownsville
Economic Journal



The **Brownsville Economic Development Council** received a Silver Excellence in Economic Development Award for the **Brownsville Economic Journal** from the International Economic Development Council (IEDC) during its Annual Conference, held last October.

"Economic development efforts have long been a keystone in the quest to bolster the economy and improve quality of life in every locality across-

the country," said Bill Sproull, IEDC chair. "As the nation continues to tackle challenges in the midst of global uncertainty, these efforts have taken on an even greater significance. With this award, we laud trendsetting organizations like the Brownsville Economic Development Council for leading the charge."

The **Brownsville Economic Journal** is a full color journalistic publication that provides a snapshot of the

economic trends and successes found within Brownsville's local industry, as well as the numerous opportunities for investment in the Brownsville-Matamoros region. It is a useful guide for enterprises of all mediums seeking information about the Brownsville Borderplex.

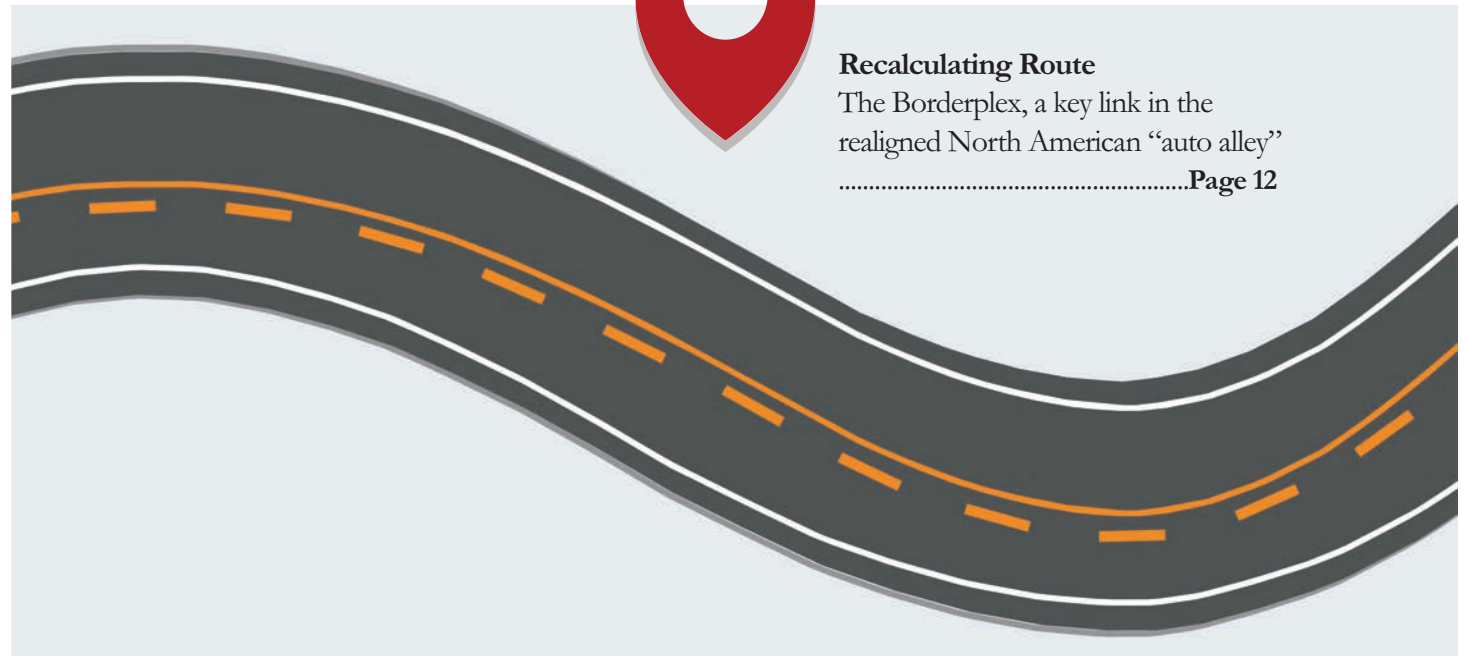
Our region has a great story to tell, and the **EJ** is our tool to objectively report on such economic trends and successes to the world.

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A target industry



Jason Hilts
PRESIDENT & CEO

Traditionally, the Brownsville-Matamoros Borderplex has been a magnet for companies in the automotive industry.

Many companies have established their operations here to take advantage of the region's competitiveness in logistics and abundant young workforce available with basic and advanced skill sets required for the industry.

For decades, automotive manufacturing has been one of Brownsville's top target industries and an important component of the region's maquiladora sector found in Matamoros.

With the realignment of the North American "auto alley" and the resurgence of Mexico as a top manufacturer of automobiles, the Borderplex sits in an enviable position to further expand its role in the supply-chain-logistics of the automotive industrial corridor in North America.

The Borderplex is home to Tier 1, OEMs and leading global suppliers with manufacturing, warehousing, and distribution facilities located on both sides of the Rio Grande.

For several decades, companies like Trico Products Corporation and Delphi Automotive PLC have enjoyed the benefits of calling the Brownsville-Matamoros area home.

And now new companies, such as CK Technologies and Paragon D&E have found in Brownsville that competitive edge they were seeking to enhance the services they provide to their clients. [EJ](#)



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Safest Metro in Texas



Staff Reports

The Brownsville Metropolitan Statistical Area has been recognized as the safest metro in the state of Texas, according to FBI data released in January.

The FBI Uniform Crime Report for 2013 revealed that from the 24 Texas metro areas, ranked from most to least dangerous, Brownsville garnered the last spot at number 24.

The violent crime rate of the Brownsville MSA has been steadily decreasing for the past 6 years, according to the FBI's Crime in the United States Annual Report. From 2008 to 2012, the Brownsville MSA has experienced a 39 percent decrease in violent crimes, making

it one of the safest metros not only in Texas, but also in the U.S.

"Brownsville is a safe place to be. If you ask most people if they feel safe walking down the street, the majority will say yes," Brownsville Police Chief Orlando Rodriguez told the Brownsville Herald in a recent interview.

A safe community provides a vibrant environment for many aspects of the city, including recreation, health and economic development.

Last year, Brownsville became one of 10 cities in the U.S. and the only city in Texas to receive the All-America City award. This award given by the National Civic League recognizes communities for successfully addressing pressing challenges such as housing, government innovation, job development, educational

improvement and neighborhood revitalization.

The pro-business environment has helped Brownsville be recognized by WalletHub.com as one of the best cities to start a business and one of the most recession recovered communities in the U.S.

Recent investments in Brownsville, valued at over \$600 million, include SpaceX' construction of the world's first vertical rocket launch site. According to Elon Musk, founder of the company, the capital investment for this project exceeds \$100 million.

Other important projects in Brownsville include Hunt Consolidated investing \$200 million in infrastructure enhancements, and the Broe Group development of a 1,200 acre industrial park adjacent to the Port of Brownsville. **EJ**



Staff Photo

The company, which began operating from the Port of Brownsville in 2003, expanded its building to 65,000 square feet almost doubling the size of its original structure.

Expansion mode

Allied Mineral Products
doubles the size
of facility in Brownsville

Written by
Jorge I. Montero



Staff Photo

The facility in Brownsville manufactures refractory cement for the refractory industry, with Mexico being its primary market.

Allied Mineral Products, Inc. kicked off 2015 with a grand opening ceremony to showcase the expansion of its manufacturing facility located at the Port of Brownsville.

The expansion is part of Allied Mineral's efforts to be in close proximity to its customers, according to John Tabor, the company's President and CEO.

Allied Mineral Products is the world leader in the design and manufacture of monolithic refractories and precast refractory shapes. The company has a strong presence in the foundry, aluminum, steel and industrial markets worldwide, providing goods and services to more than 100 countries through their 8 manufacturing facilities located in six countries, the U.S., China, Brazil, Netherlands, South Africa, and India.

The company, which began operating from the Port of Brownsville in 2003, expanded its building to 65,000 square feet, almost doubling the size of its original structure of 35,000 square feet.

"It's not often when we see a local company expand double its size. That's very commendable," said Lizzy Putegnatt, Business Retention and Expansion Director for the Brownsville Economic Development Council.

"Since 2003 they have committed to this community and we are very grateful for that," Putegnatt added.

The expansion of the Brownsville facility is one the several projects that Allied has underway for 2014-2015, Tabor said, adding that company has also expanded facilities in Netherlands and Ohio, including their administrative building based in Columbus.

"They're a global company with many locations around the world, and we feel very proud that Brownsville was one of the locations where they wanted to expand," Putegnatt said. "We at the BEDC commend the work that they've done. It is vital that we remind our companies that we care about them and that we support them."



John Tabor, Allied Mineral Product's President and CEO, speaks during the grand opening ceremony held in January.

NAFTA paved the way

The establishment of the North American Free Trade Agreement in 1994 created the opportunity for Allied Mineral to invest in the U.S. and export its products to Mexico, rather than build facilities south of the border, Tabor said.

"That's why we invested here in Brownsville," he added.

The facility in Brownsville manufactures refractory cement for the refractory industry, with Mexico being its primary market.

"Almost all of what is done in Brownsville ships to Mexico with very few exceptions," Tabor said.

The first product that came out of Brownsville in October 2003 was shipped to Cifunsa in Mexico, the largest iron foundry in North America at the time, he said.

"The ability to supply material quickly is something that our customers in Mexico rely on. Our team here (in Brownsville) has never let anybody down," he said.

Tabor noted that their success could not have been made possible without the support of local officials in Brownsville.

"The Port of Brownsville is a great location to do business," Tabor said.

Ralph Cowen, Chairman of the Port of Brownsville Commission, said that Allied Mineral's facility is one of the first new buildings that has come to the Port in recent years.

"We are at the threshold of a new era at the port," Cowen said. "We are a growing port and we need to let people know what a jewel we have here. We at the port are willing to work for you and willing to work with you." EJ

Growing Manifest

SpaceX receives its first two confirmed payloads assigned to launch from Boca Chica Beach

SPACE INDUSTRY EJ

Prepping for launch





Artist's rendering of SpaceX's launch pad in Boca Chica Beach (Courtesy of SpaceX).

The Falcon 9 launches are scheduled for 2017

Two communications satellites owned by SES are booked to fly into orbit from South Texas on a pair of Falcon 9 rockets in 2017, giving SpaceX its first two confirmed payloads assigned to launch from the new commercial spaceport, officials said.

SES announced SpaceX's Falcon 9 rocket will launch the two satellites — SES 14 and SES 16/GovSat — nine days after the company unveiled an order for three spacecraft to be manufactured by Airbus Defense and Space, Boeing Satellite Systems and Orbital ATK.

Officials said the Airbus-built SES 14 satellite and the SES 16/GovSat spacecraft produced by Orbital ATK will launch on two Falcon 9 rockets in 2017. Launch services for the SES 15 satellite made by Boeing have not been disclosed.

"SpaceX is an important launch partner to realize our new fleet investment and growth programme," said Martin Halliwell, chief technology officer of SES. "With SpaceX, we share the mission of innovating the space segment and technology, achieving step changes in the design and economics of launchers, and leverag-

ing them to the advantage of our satellites, their profile, flexibility and performance, and, above all, our customers. We are looking forward to working with the SpaceX team on these two new missions."

Based in Luxembourg, SES is the largest satellite operator in the world as measured by revenue.

Industry officials familiar with the launch deal said both satellites are planned to lift off from SpaceX's new launch site at Boca Chica Beach near Brownsville, Texas.

It was not clear whether another commercial SpaceX launch could occur from the Texas spaceport before the SES 14 and SES 16/GovSat missions are ready for liftoff in 2017.

SpaceX chief executive Elon Musk said at a September groundbreaking for the South Texas spaceport that the first launch from the facility was expected no earlier than late 2016.

The commercial launch site is one of the first of its kind, operating under the licensing authority of the Federal Aviation Administration, which holds responsibility for public safety. The U.S. Air Force has that job at SpaceX's current launch sites at Cape Canaveral, Florida, and Vandenberg Air Force Base, California.

Musk said SpaceX plans to move many of its commercial satellite launches into geostationary transfer orbit to the South Texas site, which sits on the Gulf of Mexico about 20 miles east of

Brownsville and three miles north of the U.S.-Mexico border.

"Our preference is to try to move particularly the commercial GTO (geostationary transfer orbit) missions to the Boca Chica launch site as soon as we can because there's a significant benefit by being south," Musk said.

Geostationary transfer orbit — an elliptical orbit with a high point typically about 22,300 miles above Earth — is a common drop-off point for large communications satellites.

Communications satellites use on-board thrusters to circularize their orbits at geostationary altitude — 22,300 miles — and move over the equator, where their orbital velocity matches the speed of Earth's rotation, causing the spacecraft to hover over a fixed location on the planet.

Rockets launching into such orbits receive a performance boost from launch pads at lower latitudes because of the faster spin of Earth closer to the equator. Launching closer to the equator allows rockets to use less fuel to put satellites in orbit.

"We're two-and-a-half degrees south of Cape Canaveral, and those two-and-a-half degrees are actually helpful for GTO missions," Musk said. "We have a strong incentive to try to get Boca Chica active as soon as possible."

The Boca Chica launch site lies at about 26 degrees north latitude, while Cape Canaveral sits at approximately 28.5 degrees.

SpaceX's rockets will launch to the east from Boca Chica Beach, flying over the Gulf of Mexico and the Florida Straits between the Florida Keys and Cuba to avoid flying over land en route to geostationary transfer orbit with commercial satellites.

The SES 14 satellite assigned to launch with SpaceX will carry C-band, Ku-band and Ka-band payloads to cover the Americas and the North Atlantic with direct-to-home television programming and mobile, maritime and aeronautical communications. The spacecraft is based on the Eurostar E3000e platform from Airbus, and its all-electric propulsion system will place the satellite into a circular operating orbit a few months after launch.

This article was written by Stephen Clark and appeared in www.spaceflightnow.com on February 25, 2015

Infrastructure is essential for research facility and launch site complex

Fiber optics to link SpaceX, UT

The first infrastructure project that will link the University of Texas System to SpaceX's rocket-launch complex at Boca Chica in Cameron County is on the horizon, public records show.

The project will tie UT buildings and Elon Musk's complex, which will house the world's first commercial, vertical and orbital rocket launch facility.

UT also owns land at Boca Chica that will house the STARGATE research facility.

UT has been requesting proposals for a fiber optic infrastructure project — which would provide a high-speed communication system — linking university facilities in Brownsville to its facility at Boca Chica and to the nearby site of SpaceX's control center and to the rocket launch pad. This is gleaned from the request for proposals that UT issued March 4. A team from the university will evaluate the proposals.

The UT System will pay for the fiber optic cable infrastructure that will provide two pathways along Highway 4 between university facilities in Brownsville and at Boca Chica and SpaceX's control center and launch pad. Upon completion, the university system will own the entire cable system, the request for proposals states.

UT will be obtaining the easements while the contractor would obtain the required permits from the city of Brownsville, Cameron County and the Texas Department of Transportation. UT would provide installation oversight to ensure compliance with UT, Cameron County and TxDOT requirements.

Earlier this year and in a collaborative research initiative with SpaceX, the Brownsville Economic Development Council donated property at Boca Chica to the UT system for the STARGATE Tech-



Courtesy of SpaceX

Primary Fiber Path —————
Protected Fiber Path —————
Alternate Protected Fiber Path —————

1. Install 1.25 inch buried Conduit and 24 strand jell filled cable of SMF28 Fiber from UT Rio Grande Valley campus Maintenance Hole 1 (UTRGV-B-1) through the UT property adjacent to SpaceX Control facility to SpaceX Launch facility
2. Install 1.25 inch buried Conduit and 24 strands jell filled cable of SMF28 Fiber from UT Rio Grande Valley campus Maintenance Hole 2 (UTRGV-B-2) through UT property adjacent to SpaceX Control Facility to SpaceX Launch facility. Indicated alternate route acceptable

nology Park.

STARGATE, which stands for Spacecraft Tracking and Astronomical Research into Giga-Hertz Astrophysical Transient Emission, has been designated as the first research Center for Excellence at the University of Texas Rio Grande Valley, the new university formed by the merger of the University of Texas at Brownsville and the University of Texas–Pan American in Edinburg.

STARGATE's aim is to develop, test and use radio frequency technologies for both scientific and commercial purposes and to track spacecraft. It will be housed in a 12,000-square-foot research facility that will be constructed near SpaceX's command center. UTRGV has said that when not used for launches, STARGATE

faculty and student researchers will use SpaceX facilities for training, scientific research and technology development.

The research center is being funded with \$4.4 million from the Texas Emerging Technology Fund, \$4.6 million from the UT System, \$500,000 from the Greater Brownsville Incentives Corp., and \$1.2 million from the U.S. Economic Development Administration.

UT has said that the facility would be completed by September this year.

This article was written by Emma Perez-Treviño and was published in the Friday March 13, 2015 edition of The Brownsville Herald

Brownsville airport breaks record for passenger enplanements; adds new carrier and flights

Satisfying demand



The Brownsville South Padre Island International Airport reported a remarkable 2014, recording over 207,000 passenger enplanements, the highest number of enplanements in its 86-year history. Larry Brown, the airport's director of aviation, said that the economic impact of each additional flight is significant to the community.

Courtesy photo

Staff Reports

An increase in passenger activity has helped the Brownsville South Padre Island International Airport expand its commercial services, picking up another airline carrier and adding new flights to the schedule.

Airport officials made two major announcements in February, confirming the arrival of Allegiant Airlines to Brownsville and the addition of a new American Airlines flight to Dallas-Fort Worth.

The newest nonstop flight to Dallas/Fort Worth International Airport is the fourth daily flight that departs Brownsville to the Metroplex area.

Allegiant will offer nonstop jet service between Brownsville and Las Vegas twice

a week beginning in June.

"We're excited to be debuting in Brownsville and connecting travelers to the Entertainment Capital of the World," said Jude Bricker, Allegiant Travel Company vice president of planning. "We're proud to be offering the only nonstop travel option to Vegas in Cameron County."

Brownsville joins Allegiant as one of its newest cities and is the company's fourth market in Texas.

"Allegiant is the latest major company to join in Brownsville's dynamic growth," said Brownsville Mayor Tony Martinez. "Now passengers from Brownsville, Matamoros and our neighboring cities can enjoy nonstop, low-cost travel to Las Vegas. We are proud to welcome Allegiant to the Valley's largest city."

The airport had a remarkable 2014, recording over 207,000 passenger enplanements, the highest number of enplanements in its 86-year history. Officials expect to surpass that number in 2015.

In a recent interview with The Brownsville Herald, Larry Brown, the airport's director of aviation, said that the economic impact of each additional flight is significant: 200 permanent jobs, \$300,000 in extra sales tax revenue and a \$20 million impact on the region, according to an analysis from the University of Texas at Brownsville that considered direct economic impact as well as its ripple effect.

"One flight has an economic impact with a spinoff effect," he told the Herald. "You're bringing new income into the community from other places." **EJ**

Recalculating Route



MEXICO

89 out of the world's top 100 auto part manufacturers are present in Mexico.

Mexico was the largest supplier of auto parts and trucks to the US market in 2013.



TEXAS

Ranks No. 7 nationally for automotive manufacturing employment.

Texas is also part of the growing NAFTA auto corridor, where billions of dollars of assembled vehicles and auto parts are shipped between Mexico and the Lone Star State.

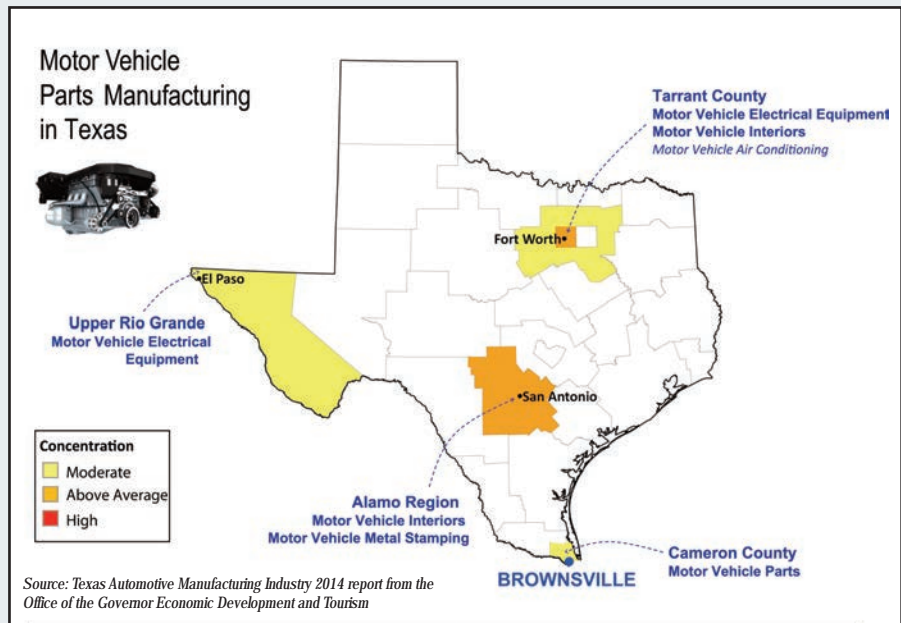


The Borderplex, a key link in the realigned North American “auto alley”

Texas is home to a well-established automotive manufacturing sector that has seen continued growth in the last five years thanks to the realignment of the North American “auto alley” and the resurgence of Mexico as a top manufacturer of automobiles.

The traditional U.S. automotive corridor that once concentrated heavily on Detroit and nearby locations has rapidly shifted toward the Midwest and Southern parts of the country, facilitating the Lone Star State and the Brownsville-Matamoros Borderplex in playing a key role in the supply-chain-logistics of the automotive industrial corridor in North America.

The Borderplex is home to Tier 1, OEMs and leading global suppliers as well as warehousing and distributing facilities for the industry. A total of 50 companies form the automotive cluster in Matamoros, and that number nearly doubles when we add the existing companies operating out of Brownsville.



The Borderplex’ proximity to Mexico has made the region an ideal candidate for companies seeking to supply the automotive market in Mexico, or to establish automotive manufacturing operations as stand-alone entities.

And since the passage of the North American Free Trade Agreement (NAFTA) in 1992, Texas has served as a strong trade partner and pri-

mary link between Mexico’s automotive plants and the rest of the U.S. automotive industry with billions of dollars in automotive goods being shipped annually to the U.S. by way of the Texan border.



BROWNSVILLE BORDERPLEX

The Borderplex is home to Tier 1, OEMs and leading global suppliers as well as warehousing and distributing facilities for the industry.

The I-69 Corridor runs from Brownsville all the way north to Port Huron, Michigan, connecting Mexico, U.S. and Canada markets.

Practically all the components that form a dashboard in a vehicle are manufactured in Matamoros.



THE TEXAS AUTOMOTIVE PARTS MANUFACTURING SECTOR produces a range of vehicle components: from car seats, to air conditioning units, to engines, to microcontrollers. The sector’s 16,288 workers account for 45% of Texas’ total automotive manufacturing employment. Many of the state’s 269 automotive parts companies are small businesses, with an average of 60 employees each.

According to Scotiabank's Global Auto Report from March 2014, a vehicle made in the U.S. contains on average more than \$4,000 worth of Mexican-made parts.

A target industry

Traditionally, the Borderplex has been a magnet for companies that manufacture automotive components.

Companies have established their operations here to take advantage of the region's competitiveness in logistics and abundant young workforce available with basic and advanced skill sets required for the industry.

For decades, automotive manufacturing has been one of Brownsville's top target industries and an important component of the region's maquiladora sector found in Matamoros.

"The auto parts sector encompasses 35% of all the maquiladora industry in Matamoros. Practically all the parts that create a dashboard in a vehicle are manufactured in Matamoros," said Roberto Mattus Rivera, Executive Director for the Matamoros Maquiladora Association (AMMAC), giving the reason why this community earns the title of "Dashboard City."

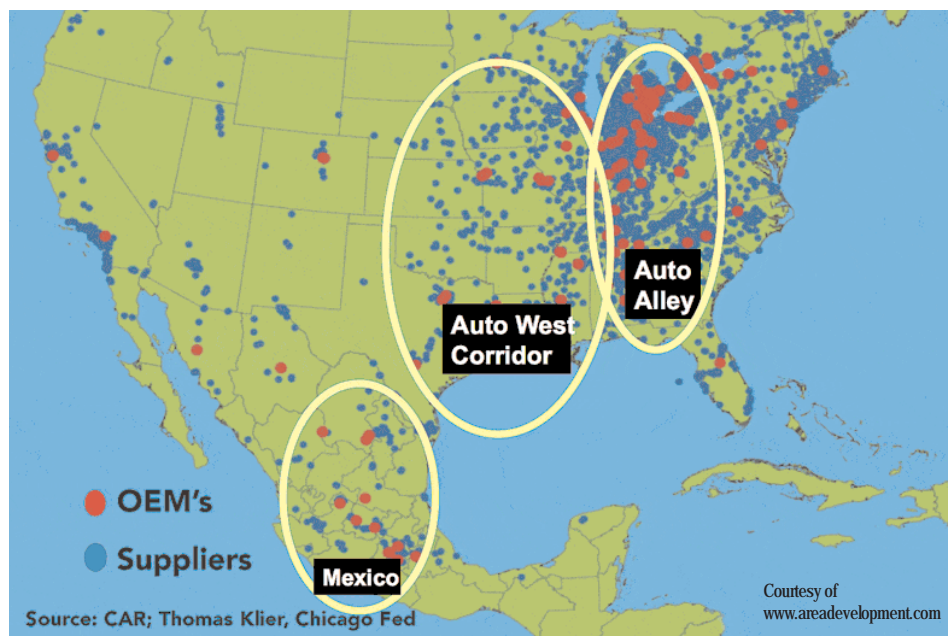
And after the most recent economic downturn, when the automotive industry in the country needed to be reshaped, the Brownsville-Matamoros region saw an increased presence in the manufacturing of components of emerging automotive technologies.

Toyota Gosei is one of the newest additions to the area's automotive cluster. In 2014, the Japanese company invested \$8.5 million to establish their Matamoros plant in order to strengthen its automotive rubber hose production in the U.S. Toyota Gosei manufactures hoses for Toyota's full-size pickup truck assembled at its San Antonio plant.

The Borderplex competitiveness and business opportunities have helped companies in this sector thrive throughout the years.

Such is the case of Trico Products Corporation and Delphi Automotive PLC, who for decades have been servicing their clients from the Brownsville-Matamoros area.

Trico has called the Borderplex home



ENHANCING LOGISTICS

A new trend has suppliers moving closer to their clients in an effort to boost and economize their services, making the Borderplex a prime destination for these companies since it is considered a link between the industry in Mexico and the U.S.

One such case in the Borderplex is that of Paragon D&E, whose customer base in Brownsville includes heavy truck supplier CK Technologies LLC, a division of Cascade Engineering Inc., as well as other automotive suppliers nearby.

Paragon, a company based out of Grand Rapids, Mich., recently acquired Brownsville Rio Grande Tools Company and plans to service all its industry lines, which include the automotive and heavy truck industries, from its Brownsville facility. The company designs, engineers and manufactures highly complex tooling systems for its customers.

since 1986. The company is a global OEM and aftermarket supplier of windshield wiper systems, assemblies, and components for the auto industry. It is also one of the top motor vehicle parts manufacturing

companies in Texas with 420 employees.

Trico has eight facilities throughout North America, South American, Europe, Asia, and Australia, with two of them located in the Borderplex. The Brownsville facility is their North American manufacturing headquarters that serves both the OE and aftermarket sectors. It is also the company's warehouse and distribution center for American, Canadian, and Mexican OE customers. The Matamoros facility is the largest windshield wiper systems and wiper blade manufacturing facility in North America. The Matamoros plant, assemblies, packages, and paints for North American OE and aftermarket customers.

Delphi has also been manufacturing and assembling automobile components from Matamoros since the 1980's. The company is a Tier 1 supplier of technologies for the automotive and commercial vehicle markets and operates several plants in the region.

Delphi, which was formerly GM's parts division, is one of several parts manufacturers that have shifted a significant portion of their North American production to Mexico from the U.S.

*With information from
www.areadevelopment.com
and the Office of the Governor Economic Development and Tourism Division*

North Brownsville Industrial Park

73-ACRE MASTER PLAN INDUSTRIAL PARK

SHOVEL READY CERTIFIED SITE

SITE DESCRIPTION:

- Inaugurated in June 2011
- 73-Acre Master Plan Industrial Park
- Minutes from Port of Brownsville, Brownsville International Airport, I-69 Highway, and Mexico
- Access to rail
- Minutes from Maquiladora Industry in Matamoros, Mexico
- Concrete roads, boulevards, and turnarounds
- 1/4 mile from SH 550, extension of I-69E
- All utilities in place: electric, water, wastewater, natural gas
- Gas supplied by Texas Gas Service
- 4-inch gas line size with 125 lbs of pressure
- Flat topography
- Site is development ready
- Shovel ready certified site
- Water, wastewater, electricity supplied by Brownsville Public Utilities Board
- 16" water line runs along Paredes Line Road
- 8" looped water line around the CK Technologies LLC building (adjacent to park)
- An existing lift station and an 8" sanitary sewer gravity line at CK Technologies building (adjacent to park)
- Capacity at 10 MGD

NORTH BROWNSVILLE INDUSTRIAL PARK



SHOVEL READY CERTIFIED SITE



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www.BEDC.com

Michigan-based company moves to
Brownsville to be closer to its clients



Jon Hamming, right, General Manager of Rio Grande Paragon, shows examples of molding tools to Lizzy Putegnati, BEDC's Director for Business Retention and Expansion, and Ankjaer Jensen, a BEDC Executive Committee Board Member.

Seeking competitive edge

Written by
Lizzy Putegnati

Paragon Die and Engineering Co. has found in Brownsville that competitive edge the company was seeking to enhance the services they provide to their clients.

"This acquisition fulfills a growth strategy aimed at closing shipping distances from our company in Michigan to our large customer base in the southern U.S. and Northern Mexico," said Andrew Samrick, managing director of Paragon's Advanced Manufacturing Division as he

explained why they chose to expand their company in Brownsville.

In August 2014, Paragon D&E acquired the assets of Brownsville Rio Grande Tool Company and renamed it Rio Grande A Paragon Company.

Paragon D&E, based out of Grand Rapids, Michigan, designs, engineers, and manufactures highly complex tooling systems for the automotive, heavy truck, aerospace, agriculture, and oil and gas industries. They specialize in engineering and manufacturing plastic injection and compression molds.

Rio Grande Paragon's 19,000 SF facil-

ity in Brownsville will primarily serve as a tool and mold repair shop for customers located within the region.

Being in Brownsville gives Paragon D&E a competitive edge as many of their southern customers would rather service tooling equipment locally versus shipping it back to Michigan for work.

"Lengthy supply lines mean longer downtimes for customers, which makes servicing equipment particularly costly. By opening a servicing facility close to its customer base, Paragon plans to eliminate these transportation-related costs and remain more competitive," said Samrick.

Jon Hamming, General Manager of Rio Grande A Paragon Company, sees a very bright future for the facility.

“We’re excited to continue to service our current customers and at the same time gain new customers as we see more and more opportunities developing here in the area. The company’s equipment and technology improvements have placed us at a level where we can pursue other target markets in industries like aerospace and oil & gas,” he said.

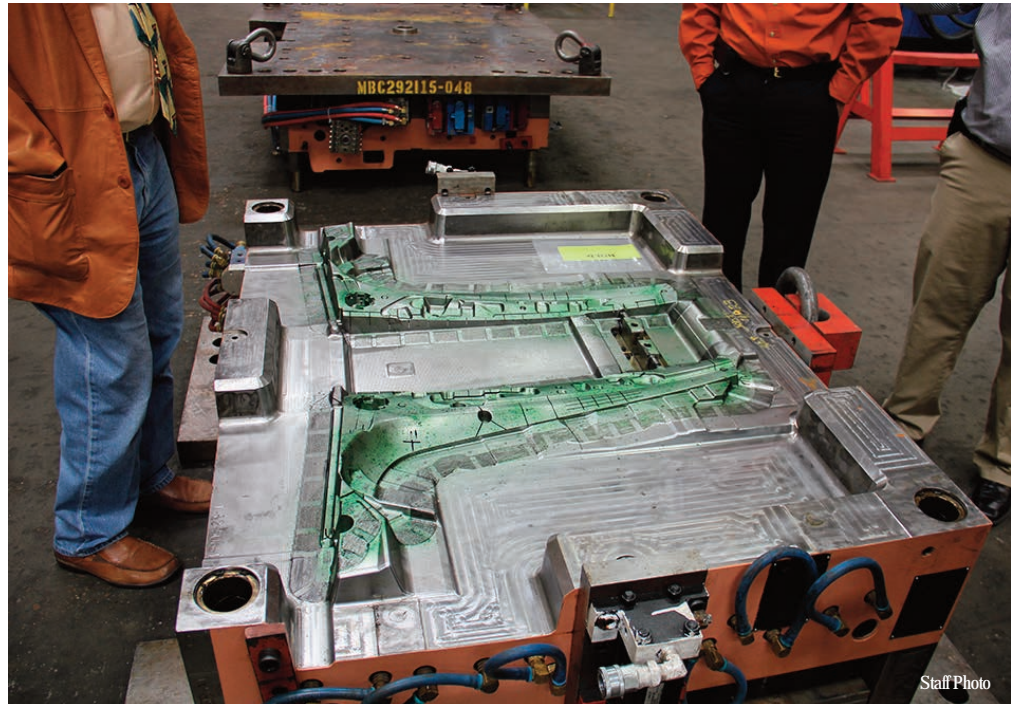
Paragon’s local customers include heavy truck supplier, CK Technologies and SpaceX, among others close to the region. Paragon is already a certified supplier to SpaceX and has previously worked on bolt systems for SpaceX rocket segments. They are excited about the opportunity to continue developing that relationship through the Brownsville launch site.

Rio Grande A Paragon Company currently has 10 employees. They estimate that by the end of the year they will reach 30 employees.

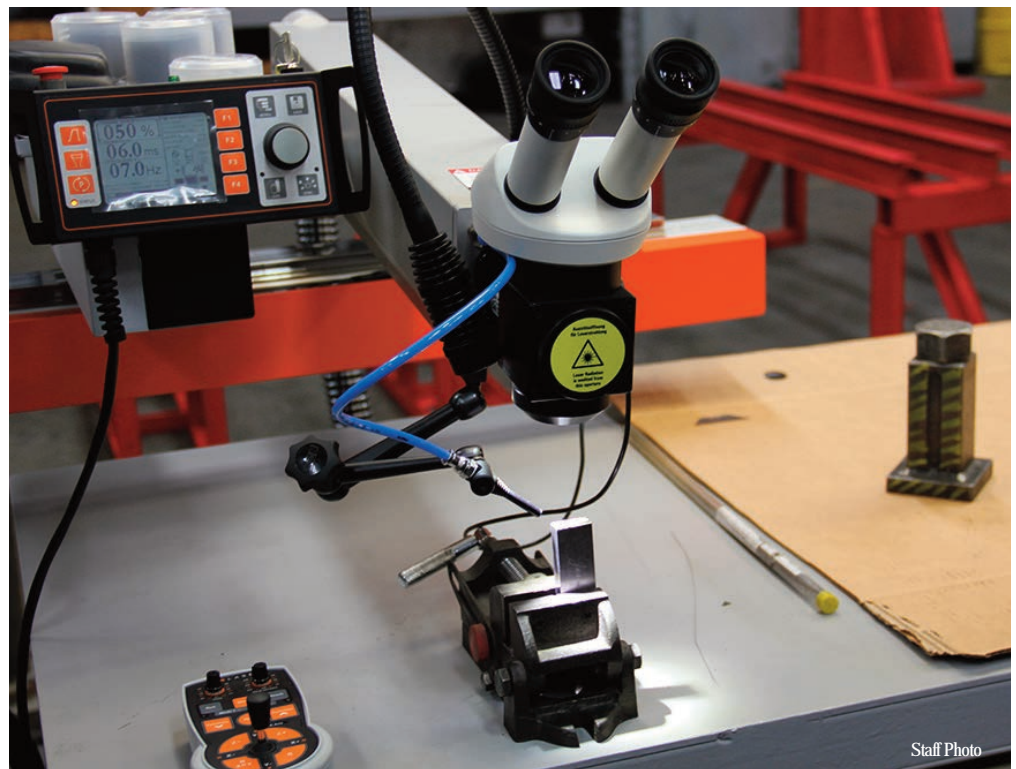
When asked what impressed him the most about Brownsville, Hamming answered, “The people, in particular the employees. These people are eager to work. They are respectful, talented, and results-oriented. They are more than willing to go the extra mile.”

Paragon D&E is not the only company that has seen an expansion to Brownsville as a strategic move that gives the company a competitive edge.

There are many manufacturing companies within the Brownsville-Matamoros Borderplex that are talking and working to bring suppliers closer in efforts to cut transportation time and costs. Suppliers are keeping an eye on Brownsville. In many cases, it’s not a matter of “if,” but rather “when.” **EJ**



Paragon has shipped a number of pieces of equipment to the Brownsville facility since the acquisition. The facility here will primarily serve as a tool and mold repair shop for customers located within the region.



One of the newest equipment is a laser welder, the only one in the Rio Grande Valley.

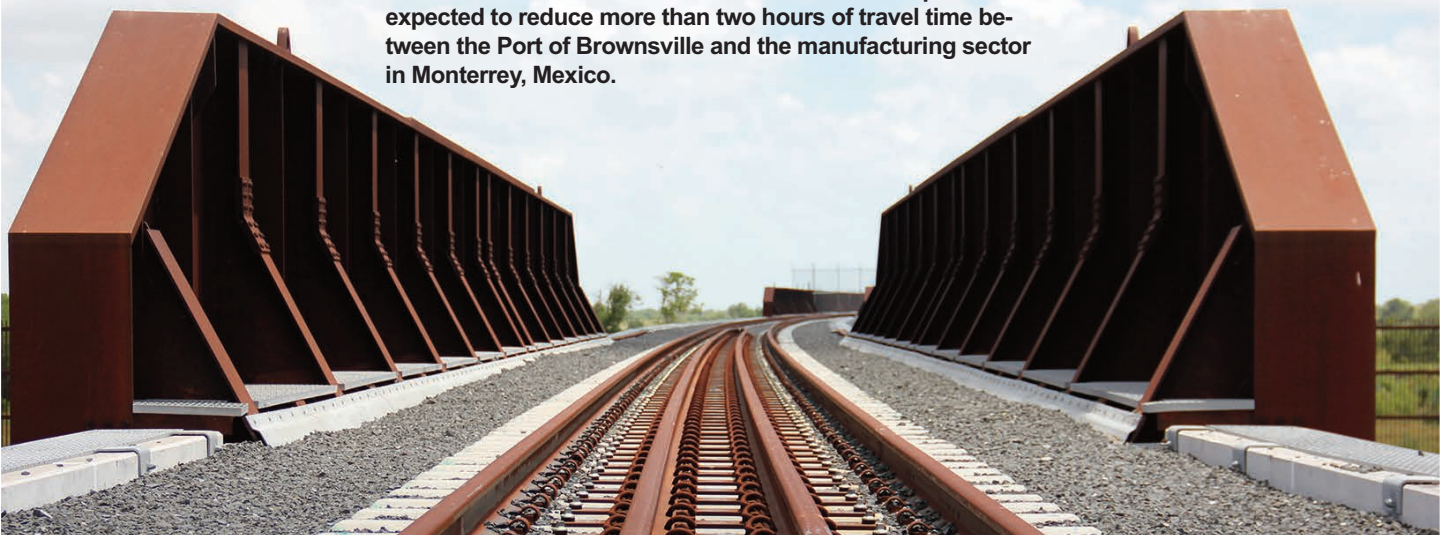
Rail bridge will enhance the transportation infrastructure in the Borderplex

Connecting Markets

Authorities ready to open the first new rail bridge to Mexico in more than a century

Staff Photo

The new international railroad runs around the west side of Brownsville and into the Mexican state of Tamaulipas. It is expected to reduce more than two hours of travel time between the Port of Brownsville and the manufacturing sector in Monterrey, Mexico.



Mexico and the United States haven't built a new crossing point for freight trains between the countries for more than a century. That's about to change in the next few weeks, largely because of the efforts of local governments in South Texas.

They have pushed to build a new railroad bridge spanning the Rio Grande outside Brownsville, Texas, which is now largely completed. When it opens, it will mark the end of a 15-year effort by local officials to move freight trains crossing into Matamoros, Mexico, out of downtown Brownsville, the southernmost city in Texas. Many localities have dealt with similar problems, but the international border crossing added a new dimension of complexity to the effort.

Local officials -- including at least three Brownsville mayors and three county "judges," or executives, on the American side, plus more in Mexico -- stuck with the project because of the benefits they hope it will bring.

Diverting freight trains west of the city will eliminate 14 railroad street crossings. The current route takes freight trains through residential areas, along neighborhood parks and through commercial areas, said County Judge Pete Sepulveda, Jr.

"The problem is that a lot of times, before the train is allowed to go into Mexico, they have to stage it. That blocks off several areas of downtown Brownsville," while also making it harder for fire engines and police cars to respond to emergencies, he said.

Most of the work on the new crossing is done, but the Mexican government is in the process of setting up its security checkpoint, which will screen traffic in both directions until the U.S. can move its equipment once the existing rail crossing is closed.

Sepulveda, who was just promoted to the county's executive post last month, first started working on the crossing after a neighborhood hearing 15 years ago, when it was clear that the community op-

posed adding a series of bridges through downtown to separate the railroad tracks from the streets it crossed. An engineer from the state first raised the idea of moving the tracks entirely.

That turned out to mean building nearly six miles of new track starting north of Brownsville and around to the west, crossing into Mexico in a rural area and joining with an existing rail line nearby. The most expensive part of the project is on the Mexican side, because it required the relocation of a switchyard.

Mexico paid \$80 million for the changes, which will also help the Mexican city of Matamoros -- which, at half a million people, has more than 2.5 times the population of Brownsville -- reduce congestion too.

But paying for the American share was the most difficult part of the project, said Sepulveda, who has helped develop three other bridges on the U.S.-Mexico border. With bridges carrying vehicles, the government can normally charge tolls to help cover the costs. But that doesn't work for freight rail, where the railroad owns the tracks.

So Brownsville and Cameron County officials cobbled together \$40 million from other sources. Most of the money came from the federal government, although that was divided among several agencies. The state of Texas, local governments and Union Pacific also picked up part of the costs, Sepulveda said.

The federal money, and the fact that the project is an international port of entry, came with a lot of extra regulation. The State Department, the Federal Railroad Administration and the state of Texas had to review the project for environmental impacts. Local officials in the border town

are used to dealing with the U.S. Customs and Border Patrol, but they found that rail crossings were overseen by a different set of regulators within Customs those who oversee vehicle crossings.

"It was difficult from the standpoint that it hadn't been done before. We had a lot of difficulties from [the Department of Homeland Security, which includes Customs], because they hadn't done another bridge in 100 years. That was pretty frustrating," Sepulveda said.

Union Pacific, which also operates at the five other rail crossings between the U.S. and Mexico, has supported the county in shifting rail traffic out of downtown Brownsville, but the railroad does not expect it to boost capacity, said company spokesman Jeff DeGraff.

The change was made easier by the fact that Cameron County was able to acquire the land for the alternate route, which many communities cannot, he said. Unlike in many areas, the path for a new route runs through mostly open space and generated little controversy.

"This was something that was brought forward by the county. They spearheaded the project. They took it on themselves. We're happy to work with them," DeGraff said. "It shows what can be accomplished when these different levels of government, both in the U.S. and across the border, work together on a project like this."

*This article was written
by Daniel C. Vock and appeared
in www.Governing.com
on April 8, 2015*

A total of five companies are seeking to build LNG export terminals

Race to build LNG plant continues



Courtesy Photo

The Port of Brownsville is looking to become a hub for LNG export terminals, taking advantage of the area's proximity to the Eagle Ford Shale in Central Texas.

Staff Reports

Five liquefied natural gas companies are looking to build an export terminal at the Port of Brownsville, with three of them taking a big step in further advancing their projects.

Three companies, Texas LNG, Annova LNG, and NextDecade LLC, have submitted pre-filing letters to the Federal Energy Regulatory Commission asking regulators to approve their proposed terminals along the Brownsville Ship Channel.

Two more companies: Gulf Coast LNG and SEG Sideco LNG are also looking to build facilities in the Port of Brownsville, but have not filed letters to the FERC asking for approval of their projects.

"The submission of our pre-filing request to FERC is a major milestone for the project. We now join a select group of projects that have entered this phase of project development," said Vivek Chandra, CEO of Texas LNG, through a press release.

Texas LNG is proposing to build its terminal in a 625 acre site with deepwater frontage to the Port of Brownsville shipping channel. The new site, located approximately 5 miles from the mouth of the Gulf of Mexico on the north side of the channel, facilitates construction, will allow safer reduced LNG tanker navigation within the channel, and allows the project to plan for future expansion.

Brownsville's strategic location has helped the Port become one of the most popular locations for LNG export projects. All of the companies looking to set up shop here plan to take advantage of the area's proximity to the Eagle Ford Shale.

According to the Texas Railroad Commission, the Eagle Ford Shale produced 4.7 billion cubic feet of natural gas per day in 2014.

"Brownsville is an ideal location for this potential facility," said Annova President David Chung, who also serves as vice president, LNG, for Exelon Generation, the majority owner of the Annova LNG Brownsville Project.

If built, the LNG terminal would sit

beside the Brownsville Ship Channel on 650 acres designated by the Port of Brownsville for industrial use.

In a prepared statement, Kathleen Eisbrenner, founder and CEO of NextDecade, said the company is very excited to initiate the FERC process for their Rio Grande LNG project.

"Not only is this an important milestone, but it also signals the beginning of a crucial process that will lead to the best possible project. NextDecade is actively working with the FERC, our partners and communities throughout the Rio Grande Valley to bring this exceptional project to fruition," she said.

"Since first visiting the Port of Brownsville in 2013, we have been working tirelessly to make this project a reality. Brownsville is a wonderful location for our facility," added Eisbrenner.

"With its position on the Gulf of Mexico, access to abundant gas supplies, and existing infrastructure, the Rio Grande Valley presents a fantastic opportunity for our project," said Eisbrenner. [EJ](#)

About \$1.2 billion in transmission construction upgrades being invested

Project expected to generate economic activity and industrial growth

A major project to bring additional electric transmission capacity to Brownsville and the Rio Grande Valley made strides in 2014, with the Public Utility Commission of Texas in April approving the final route for a new 345kV (kilovolt) transmission line to be erected between the North Edinburg Substation and the Loma Alta Substation near the Brownsville Ship Channel.

The so-called "Cross Valley Project" will link to a separate project: a 156-mile, 345kV transmission line being built between Laredo and the Edinburg substation.

The Electrical Reliability Council of Texas deemed the Cross Valley Project critical to the reliability of its system grid in the Lower Valley after rolling power outages in February 2011. ERCOT manages the electric grid and deregulated electricity market covering some three-quarters of the state.

The Valley currently gets most of its power from two 345kV lines that run parallel from Corpus Christi. Due to their nearness to the coast, those lines are considered vulnerable to impact from hurricanes.

The Cross Valley line is a joint project of Electric Transmission Texas LLC and Sharyland Utilities LP. Sharyland, privately owned by Hunter L. Hunt and other members of the Ray L. Hunt family, will build the Cameron County portion of the line.

The Hidalgo County segment is the responsibility of Electric Transmission Texas, a joint venture between subsidiaries of American Electric Power and Berkshire Hathaway Energy Company.

Cross Valley's total cost, estimated at \$309 million, will be roughly split between ETT and Sharyland. ETT is also constructing the 345kV transmission line

“Ultimately, the infrastructure is giving Brownsville a competitive edge over other cities in South Texas”

- Gilberto Salinas
Executive Vice President
of the BEDC

from Laredo to Edinburg, a project estimated at \$398 million.

Further bolstering the Valley's power supply is a complete upgrade by AEP of the twin 345kV lines from Corpus Christi. That project, with an estimated construction cost of \$349 million, is unusual in that the work is being performed while the lines are "hot," said AEP spokesman Larry Jones.

"It's needed for ERCOT reliability," he said. "That's one of the reasons we can't take the line off-grid for any amount of time."

Working the line hot means crews have to erect temporary lines in order to reroute power away from the section of permanent line being upgraded, he said. Another

challenge of the project is Africanized bees: Workers on the project frequently have to wear protective suits to avoid being stung, Jones said.

"It's a very unique project," he said.

All told, ETT and AEP are investing some \$1.2 billion in transmission construction upgrades leading to Brownsville and the Valley. That cost, as well as Sharyland's investment in Cross Valley, will ultimately be spread among ERCOT customers statewide over decades, said AEP spokesman Larry Jones.

"Any investment in transmission is shared among all customers within ERCOT," he said. "Everybody shares the cost because transmission is considered a shared resource."

Jones said the goal is for all the transmission projects to be complete about the same time, possibly by summer 2016.

Besides helping prevent future power outages, economic development officials say improving the city's power grid will help the economy.

Gilberto Salinas, executive vice president of the Brownsville Economic Development Council, said investment in electrical infrastructure will generate economic activity and help ensure the city's future industrial growth, which depends on an adequate, reliable power supply.

"Ultimately, the infrastructure is giving Brownsville a competitive edge over other cities in South Texas," he said. "Certain projects we are working today is a direct result of the added power capacity and electrical distribution."

This article was written by Steve Clark and appeared in the Thursday, November 21, 2014 issue of The Brownsville Herald

Brownsville, Texas: A burgeoning center for economic growth and Latino development



Most people think of Portland, Austin and San Francisco as some of the up and coming economic centers that cater to hipsters and business investors alike. There is another popular site known as Brownsville, Texas. While its poverty rate is double that of the nation, the town makes good use of its 147.5 square miles. It's only 30 miles from the beach, has warm weather year round and a fantastic location that is drawing interest from investors.

Elon Musk chose Brownsville's Boca Chica Beach as its launch complex for orbital missions. Musk selected Brownsville for its vast resources, convenient border location, tropical weather and international access. Musk's development in Brownsville has spurred job growth amongst Latinos and other groups. It has infused 600 jobs into the area and jolted tourism.

Projects like the one that Musk built in Brownsville really have the potential to transform communities like Brownsville. The University of Texas at Brownsville is attempting to work with SpaceX to provide a series of new science initiatives. The University aims to add physics professors and seats to its classes in order prepare students to work directly with SpaceX.

There is no doubt that such a rapidly growing and notable University presence will attract Latinos from here in Texas as well as from across the border. Instead of crossing the border in search of minimum wage work, Latinos might soon cross with grander dreams of be-

coming an engineer or physicist and working at Brownsville's launch site. Brownsville is serving as a sort of hub and possibly a bridge for Latinos to make their influence felt and contribute toward rocket launches and other local developments.

Many attribute the presence of large companies like Musk as the reason for UT Brownsville's rapid expanse. In the last decade alone, the school has added 75 new degree programs, a brand new gym, new dorms and auditorium and the campus now spreads across 450 acres compared to its old 47. The UT System actually chose UT Brownsville's Center for Advanced Radio Astronomy as the center for its Stargate radio frequency technology program. These facilities will empower students and faculty to study and develop technologies. It will motivate hundreds and thousands to pursue science degrees and make an impact on the local community.

Rockets will soon be launching from Brownsville. Soon, about a dozen will blast off across a year's time. The rocket launches will be an accomplishment that all locals can be proud of. In a few years, we'll hopefully be able to say that diverse groups of scientists worked on the rockets with several Latinos at the forefront.

*This article was written
by Patrick Ryan and appeared
in www.WiredLatinos.com
on February 17, 2015*

Cross-Border trucking program moving forward

After two decades of political posturing, a cross-border trucking program will soon be ready to roll, opening up an avenue to expand trade between Texas and Mexico.

The U.S.-Mexico cross-border trucking program allows Mexican trucking companies to apply for permission to travel with their U.S.-bound goods beyond the current 20- to 25-mile limit past the border. Currently, most trucks haul goods to the border, where the products are warehoused and reloaded by American carriers for shipment to their final destinations.

But trade and union groups in the U.S. say a recent pilot program that tested the policy — a component of the North American Free Trade Agreement — did not compile enough reliable data and that American drivers could be at risk as a result.

After a second, three-year pilot program was completed in October, the Federal Motor Carrier Safety Administration announced in January that Mexican carriers are on track to enroll in the program if they meet various safety and training standards.

The program could add to an already booming trade relationship between Texas and Mexico.

*Visit
www.texastribune.org
to view complete article*

Project updates



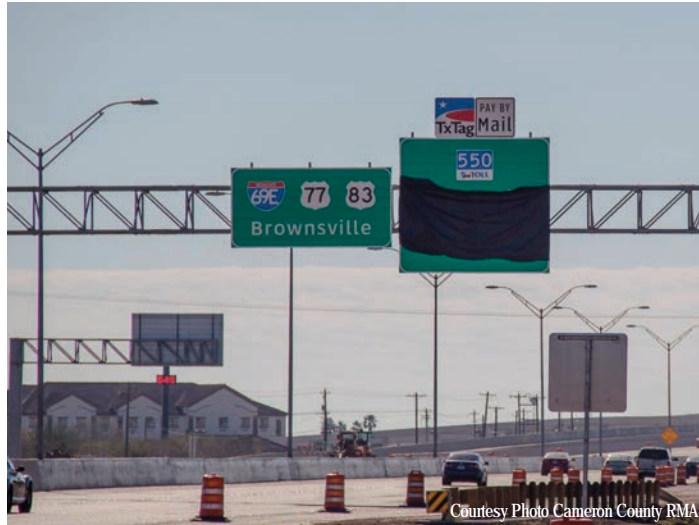
Sunrise Mall to undergo renovation

CBL & Associates Properties, Inc., the owner and manager of Sunrise Mall in Brownsville, will begin a multi-million dollar renovation of the shopping center.

The renovations expected to begin in March and will be completed just in time for holiday shopping this November.

The renovation at Sunrise Mall will involve modern updates including many contemporary design improvements.

These include: fresh paint, new flooring and tile, upgraded lighting elements, upgraded restrooms with new amenities, new benches and plants throughout the common areas. **EJ**



Courtesy Photo Cameron County RMA



Courtesy Photo Cameron County RMA

State Highway 550 near completion

Construction of State Highway 550 is almost complete and authorities expect the project to be finalized before the summer.

The new highway will connect the Port of Brownsville with the I-69 East Corridor.

The new corridor, a \$48 million project, will be of great benefit to freight transport by truck, since trucks will have a direct connection to the Port of Brownsville and would avoid crossing through the city, saving time and money. **EJ**



New Toyota dealership expected to open in the summer

The new Brownsville Toyota dealership, operated by the Zamora Automotive Group, is set to open to the public in the summer.

Brownsville Toyota will be housed in a 50,000-square-foot facility on 12 acres of land.

Zamora Automotive has invested \$15.5 million in land acquisition, construction, furniture, fixtures and equipment, and will have invested \$24 million by the time the facility is fully stocked with inventory.

The dealership aims to hire 50 employees initially and estimates that by the third year it will employ 100 people, with the goal of 150 employees by the seventh year in operation. **EJ**



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