

THE FUTURE: ECONOMIC GROWTH

Harlingen has had strong economic growth over the past few years, and is strategically positioned to maximize continued growth in the region.

Recent strong commercial growth is reflected in the \$93 million in new construction commercial permits issued in 2013. Strong economic growth is the key to creating the Harlingen of the future and ensuring Harlingen's position as the address of choice in the region. This section addresses the role of the City of Harlingen in fostering economic growth.

Overview

Harlingen is at the center of the Rio Grande Valley, and strategically positioned to maximize on the economic growth of the region. Harlingen has access to a skilled workforce at competitive wages. Its proximity to the border also positions the city as a logistics center for international trade. Valley International Airport (VIA) is the largest airport in the Rio Grande Valley, with over 40%¹ of the region's 2013 domestic boardings at this airport and four major air cargo companies calling VIA home.

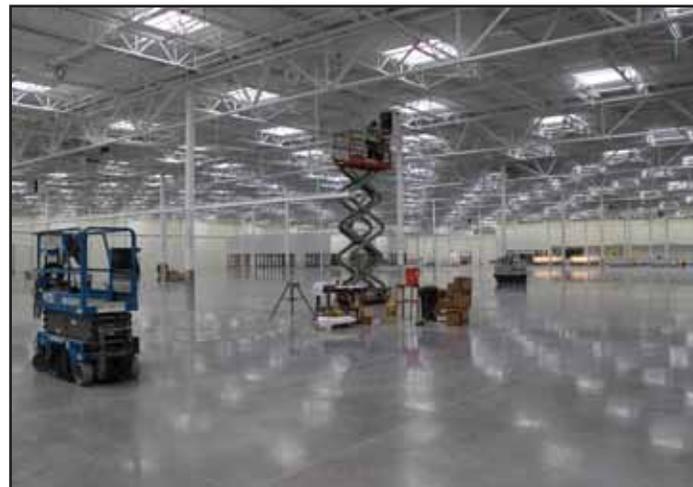
The medical industry is an established and growing industry in Harlingen. We are home to the largest hospital in the Rio Grande Valley (Valley Baptist Medical Center), Harlingen Medical Center (a leading cardiac care hospital) and the new Strategic Behavioral Health facility which will open in 2016. All are part of a larger and growing medical complex that also includes Su Clinica Familiar, the Veteran's Administration's Valley Coastal Health Care facilities, South Heart Clinic, Rio Grande State Center, Solara Rehabilitation Center as well as the UTRGV School of Medicine for third and fourth year students.

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Moreover, Harlingen is home to the Medical Education Division of the UT Health Science Center at San Antonio Regional Academic Health Center, which plans on investing more into the teaching medical program in the area.

Retail growth is also significant, with multiple major retailers added since 2012. Large regional retailers such as Bass Pro Shops (2011) and Sam's Club (2014) have strengthened Harlingen's retail sector.

Many elements make up the City's economic status. In addition to being measured in tax revenues or job growth, economic status is measured by: Job opportunities; job quality and sustainability; and the relationship between employment opportunities and the city's policies toward land development and quality of life.



Interior of Sam's Club under construction in 2014. Source: City of Harlingen

¹ 2014. City of Harlingen. Comprehensive Annual Financial Report FY 2013.

City Revenues

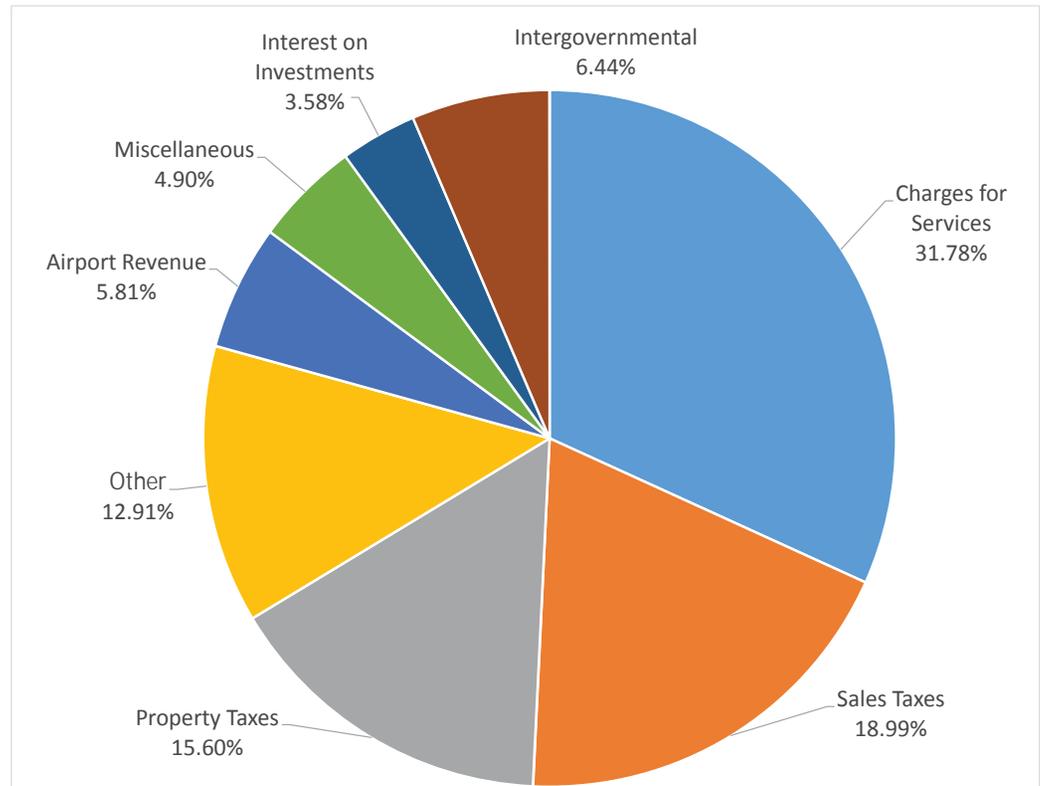
Economic growth requires public investment in infrastructure and quality of life to sustain and attract new development. A city’s revenue is closely related to increases or decreases in economic activity (such as development and consumer spending). Those revenues determine what capacity Harlingen has to fund many of the recommendations of this comprehensive plan.

The city’s Comprehensive Annual Financial Report (CAFR) reviews the financial status of the city based on revenue, spending, and economic conditions of the previous financial year. At the time of writing this comprehensive plan, the most recent report completed was in April 2014 for the 2012-2013 fiscal year (ending September 30, 2013). According to the CAFR, the city’s net revenues increased by 7.7% or \$4.07 million. Part of this is due to an increase in construction permits in Harlingen. In 2013, the city issued 599 construction permits, including 117 new residential building permits and 40 new commercial building permits. The construction cost of these permits is estimated to be \$30 million higher than in the previous year.

Harlingen has a diversified tax base and benefits from multiple sources of income. It is

important to have a diversified tax base to withstand economic downturns which may affect one area of the economy more than another. Harlingen revenues for the 2013-2014 fiscal year were approximately \$111 million. Charges for services contribute to a significant portion of revenue for the city (31.8%). These include fees for water and wastewater services, sanitation, the municipal golf course, and other services the city provides. Combined, sales and property taxes make up more than one-third of the city’s revenue (35% in FY 13-14).

CITY OF HARLINGEN
MAJOR REVENUE SOURCES, FY 13-14



Source: 2013, City of Harlingen Annual Budget FY 13-14.

Harlingen’s budget for the 2013-2014 fiscal year estimated that the city would receive \$17,282,794 in property tax revenue and \$21,041,511 in sales tax revenue. Sales tax revenue is shared between the city (for general fund purposes) and Harlingen’s Economic Development Corporation (4A Corporation) and Community Improvement Board (4B Corporation).

53%

Over the past decade, the total market value of real property in the City of Harlingen has increased 53%, from \$1.9 billion in 2004 to \$2.9 billion in 2014.

Property taxes and sales taxes affect the general residential population more than any other fee or revenue source the city receives. Moreover, they also tend to be the most easily affected revenue streams during economic upturns and downturns. Therefore, these sources deserve extra attention to ensure they are not overly burdensome to the general population and to recognize ways to make the city more resilient against economic downturns.

Property Tax Trends

Property taxes are imposed on owners of real property and on business inventory, furniture, fixtures and equipment within a city’s limits, and are calculated based on two elements: the tax rate and the taxable value.

Property Value: Since 2004, the total market value of real property in the City of Harlingen has increased 53%, from \$1.91 billion to \$2.91 billion in mid 2014.² Most of this increase is from improvements made to properties, which accounted for 77% of the increase over the 10-year period.



Harlingen’s property tax rate is the lowest among larger cities in the Rio Grande Valley.

The increase in property values in Harlingen has a direct impact on the tax revenue the city receives and will often help preclude a need to increase the tax rate.

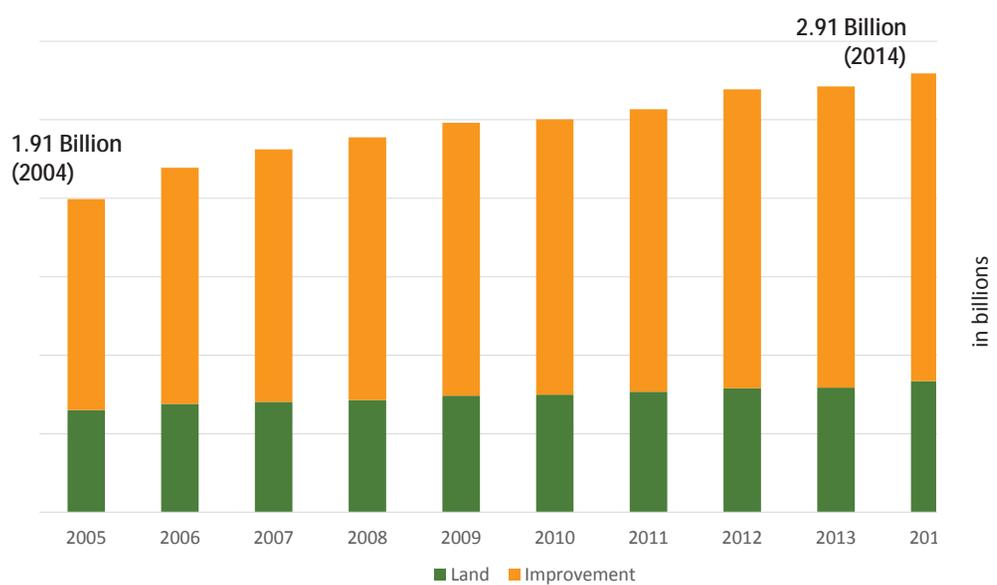
Tax Rate: The 2016 tax rate for the City of Harlingen was \$0.588827 per \$100 in value. On average, our tax rate is almost 20% lower than all major cities in the Valley and has remained at that level since 2010.

Property Taxes and Land Use: Property values are directly related to the use of land. Land developed for residential uses typically have a lower total assessed value per square foot as compared to commercial uses. Thus, commercial uses have a greater impact on the property tax revenue the city receives.

Because of this, it is important to have a balance of residential and non-residential land uses in the city. According to the Cameron County Appraisal District 2014 Certified Totals Report, 52.3% of the market value of real property in Harlingen are residential uses, and 31.5% are commercial properties. While this data does not reflect taxable value, it indicates that residential uses may be generating a significant portion of the property tax revenue for the city.

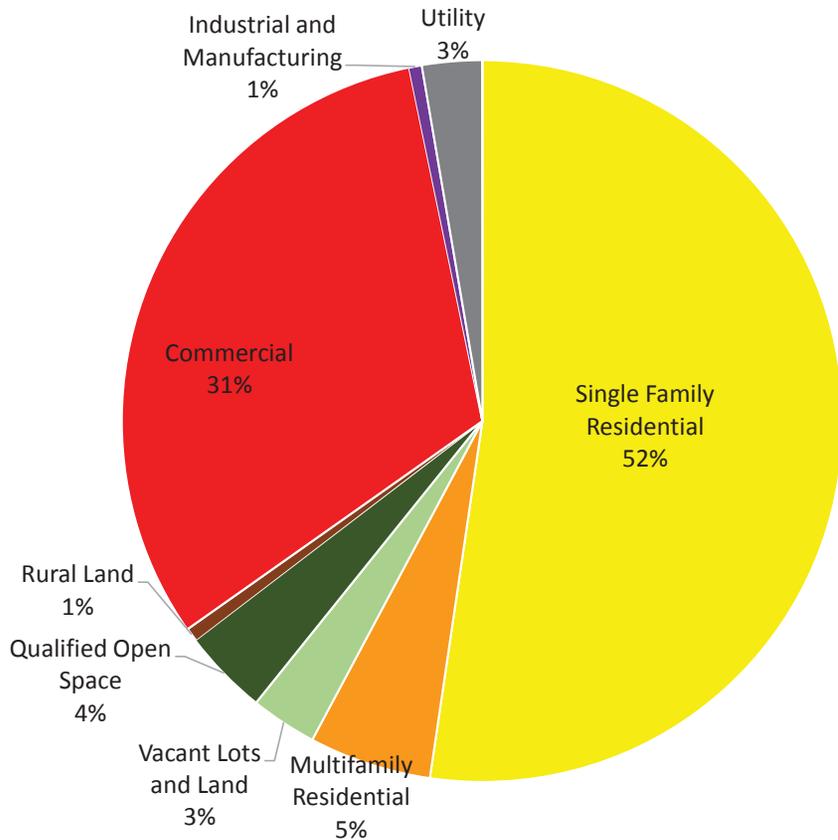
² This is not the taxable value. Rather, these figures are intended to illustrate the general trend in market values of property in Harlingen.

MARKET RATE VALUES OF PROPERTY



Source: Cameron County Appraisal District, Certified Totals, 2005-2014
 Note: Reflects total market value, without exemptions or freezes, and is not an accurate portrayal of taxable value.

MARKET VALUE OF PROPERTIES BY LAND USE



Source: Cameron County Appraisal District, Certified Totals, 2014, based on certified value as of mid 2014
 Note: Reflects market value, without exemptions or freezes, and is not an accurate portrayal of taxable value. Does not include taxable personal property.

Continued efforts to increase the amount of commercial properties in Harlingen will allow the tax base to grow significantly without requiring significant increases in property tax rates.

Sales Tax Trends

Sales tax in the State of Texas is 6.25%, and local jurisdictions and entities such as counties, cities, transit authorities, and special districts may add up to 2% in local sales tax for a total maximum sales tax rate of 8.25%. Harlingen collects the full 2.0% tax rate, bringing the total sales tax rate in Harlingen to the maximum 8.25%. Most of the incorporated areas around Harlingen are collecting at least a portion of their allotted 2.0%. Cameron County does not collect sales tax, so any unincorporated area has a 6.25% sales tax rate.

Sales tax makes up about one-fifth of the revenue for the city. It is important that Harlingen maintains a strong retail base and a diversified revenue stream. In 2011, the City of Harlingen retained Catalyst Commercial, Inc. to complete an analysis of the retail trade area of the city and the Downtown area. They developed a strategy balancing Harlingen’s assets and meeting consumer demands.

Harlingen is a retail destination due to Valle Vista Mall, several big box-anchored shopping centers, Bass Pro Shops and Sam’s Club. Sales, and therefore the city’s sales tax revenue, have increased over the past decade as retail offerings have improved in Harlingen. Like much of the country, Harlingen was affected by the economic downturn, with declines in gross sales in 2009 and 2010. However, with the opening of numerous new stores in recent years, the city saw a significant increase in gross sales in 2012 and 2013. Sam’s Club sales will also lead to an increase in sales tax revenues in 2015 and beyond.

32%
Increase in Sales Tax Revenue for Harlingen over the past decade

Over \$2.1 billion annually
Gross sales in Harlingen per year since 2011

Retail Spending in Harlingen
 Harlingen has a median household income of \$34,096 (2012 ACS). While that household income is typical across the Rio Grande Valley, it is 34% lower than the state’s median of \$51,563. Therefore, continued income growth in and near Harlingen is important to help strengthen local retail sales.

That being said, retail sales in Harlingen are greatly influenced by visitors to the city and region, such as Winter Texans and Mexican nationals. Studies by the University of Texas-Pan American (UTPA and UTB

merged as of 2015 to become UTRGV) give insight into spending patterns by these two groups, which can inform recommendations for retail demand.

According to the 2013 UTPA report, approximately 100,000 “Winter Texans” visited South Texas during the most recent winter season. The study estimated that spending per household was approximately \$13,400. The 2012 Catalyst Commercial Retail Analysis and Merchandising Plan (Catalyst Analysis) estimated that Harlingen captures approximately 10% to 15% of that spending or between \$1,340 and \$2,010¹. Moreover, due to Harlingen’s proximity to many border crossings in the region, it’s assumed that Mexican Nationals are a significant demand driver for retail in Harlingen. The Catalyst Analysis also noted that with the capture rate of 10% to 15% of retail spending by Mexican Nationals, they could spend between \$90 and \$135 million annually in Harlingen.²

\$157 to \$235.5 million
Potential combined annual spending range by Winter Texans and Mexican nationals per year in Harlingen.^{1,2}

Winter Texan visitation to the Rio Grande Valley has been slowing in recent years, and Harlingen should consider working with other communities to promote visitation to the region.

1 2013-2014 Winter Texas Survey. Business and Tourism Research Center, The University of Texas-Pan American
 2 2012. Catalyst Commercial. Retail Analysis and Merchandising Plan. p 24.

**ANNUAL SALES TAX RECEIPTS
 CITY OF HARLINGEN & CAMERON COUNTY**

Year	Gross Sales (Harlingen)	Growth Rate	Gross Sales (Cameron Co)	Harlingen Share of County
2002	\$1,563,274,026	-	\$5,191,009,305	30.12%
2003	\$1,539,294,243	2.9%	\$5,592,385,731	27.52%
2004	\$1,631,603,111	2.7%	\$5,947,550,820	27.43%
2005	\$1,679,645,401	2.6%	\$5,932,789,053	28.31%
2006	\$1,815,747,951	4.2%	\$6,556,684,125	27.69%
2007	\$1,806,693,861	-0.3%	\$6,846,630,312	26.39%
2008	\$1,931,027,644	6.9%	\$6,848,843,741	28.19%
2009	\$1,827,918,078	-5.3%	\$6,339,981,841	28.83%
2010	\$1,913,667,458	-0.6%	\$6,591,605,508	29.03%
2011	\$2,085,439,705	4.5%	\$7,056,838,295	29.55%
2012	\$2,147,509,322	3.7%	\$7,278,028,263	29.51%
2013	\$2,135,385,310	-	\$7,154,047,152	29.83%
(11.6% increase since 2010)				

Source: Susan Combs Texas Comptroller of Public Accounts, Quarterly Sales Tax Report, City of Harlingen, Cameron County

Competition with Nearby Markets

Harlingen is the center of retail trade for the east-central portion of the Rio Grande Valley and Cameron County. According to the Catalyst Analysis, there is very little overlap among the customer base between the primary trade area of Harlingen and that of the McAllen/Pharr/Edinburg area. However, the Rio Grande Valley Premium Outlets has a large trade area given that it is a specialty retail attraction, and there is overlap of the trade area of the mall with both the Harlingen and the McAllen/Pharr/Edinburg trade areas. Therefore, there is an opportunity for Harlingen to capture some of the demand for retail services that is currently unmet by the Rio Grande Valley Premium Outlets area, such as quality dining.

Other Revenues - Trends

Franchise and Hotel/Motel taxes also provide revenue for the City of Harlingen.

Franchise Taxes - Revenues paid to Harlingen for the use of city streets or rights of way have increased 43% in the last decade, from \$2.85 million in 2004 to approximately \$4 million in 2014.

Hotel/Motel Taxes - Hotel/motel or HOT taxes have remained steady for the past decade, but are projected to rise as new hotels open.

Summary of Revenue Trends

Revenues generated by Harlingen are summarized in the table below, and indicate positive growth trends exceeding 42% over the past decade (even with the major downturn experienced between 2009 and 2010). This growth provides a basis for funding major initiatives and goals of the city’s Comprehensive Plan, One Vision, One Harlingen.

Summary - City of Harlingen Tax Revenues by Source

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Hotel/Motel Taxes	Grand Total	% Change
2004	\$11,415,256	\$11,994,448	\$2,856,332	\$817,982	\$27,084,018	-
2010	\$16,328,487	\$13,672,390	\$3,859,837	\$841,758	\$34,702,472	28% (2004-2010)
2014	\$17,282,794	\$15,546,382	\$3,955,520	\$830,200	\$37,614,896	8% (2010-2014)
2015 (projected)	\$17,646,605	\$15,779,578	\$4,074,500	\$860,200	\$38,360,883	2% (2014-2015)

(Source: City of Harlingen)

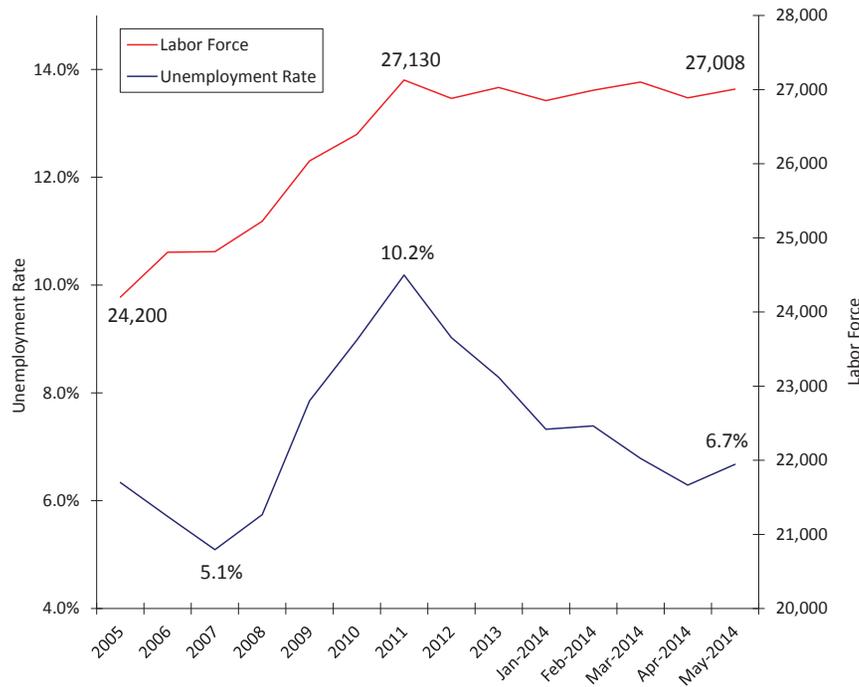
Workforce & Employment

Located in close proximity to the Mexican border, Harlingen has access to a skilled workforce at competitive wages. Harlingen’s workforce characteristics are highly influenced by its cultural surroundings and the socioeconomic challenges of the community.

Generally, the overall region’s workforce is usually thought of as under-educated and low-wage. Labor in the area is also influenced by the availability of lower cost labor nearby in Mexico.

Harlingen’s workforce has a higher average educational level than that of the region, and also has significant training opportunities provided by Texas State Technical College (TSTC), University Center at TSTC and other vocational schools. Given these opportunities, there is potential to increase the competitive position in Harlingen and capture opportunities in healthcare and manufacturing across all levels of the population.

**LABOR FORCE AND UNEMPLOYMENT RATE
CITY OF HARLINGEN, 2005-2014**



Source: The Labor Market & Career Information Department (LMCI) of the Texas Workforce Commission

**HARLINGEN WORKFORCE
CHARACTERISTICS, 2000-2012**

	2000 Census	
	Number	Percent
Total Population	57,564	
Population in Labor Force	21,750	51.9%
Unemployment	1,931	4.6%
Median Household Income	\$30,296	
2010 Census		
Total Population	64,849	
Population in Labor Force	24,281	51.5%
Unemployment	1,530	3.2%
Median Household Income	\$34,748	
ACS 2008-2012		
Total Population	64,947	
Population in Labor Force	23,533	49.6%
Unemployment	1,454	3.1%
Median Household Income	\$34,096	

Source: 2014. Pegasus Planning & Development. Economic Analysis. Data Source: US Census Bureau, Decennial Census 2000, 2010; American Community Survey 2008-2012; Demographic and Housing Estimates, Selected Economic and Social Characteristics

In evaluating employment by industry, Harlingen’s largest employers are health institutions, health service providers, and public institutions. Retail, and food & entertainment also employ thousands of other workers in Harlingen. Among the city’s largest employers are HCISD, Valley Baptist Medical Center, Advanced Call Center Technologies, Vicky Roy Home Health and Dish Network, all of which have near to or more than 1,000 employees each.



HEDC and Valle Vista Mall. Source: City of Harlingen Economic Development Corporation.

EMPLOYMENT BY INDUSTRY CITY OF HARLINGEN, 2012

Industry (Standard Industrial Classifications)	
Agriculture, fishing and hunting	341
Information	475
Wholesale trade	488
Manufacturing	759
Transportation and warehousing, and utilities	959
Finance, insurance, real estate, rental and leasing	992
Construction	1,006
Other services, except public administration	1,209
Public administration	1,594
Arts, entertainment, recreation, accommodation, food services	1,689
Professional, scientific, management, administrative services	2,044
Retail trade	2,378
Educational services, health care and social assistance	7,665

Source: 2014. Pegasus Planning & Development. Economic Analysis.
Data Source: US Census Bureau, American Community Survey 2005-2007, 2007-2009, 2010-2012, Selected Economic Characteristics



Economic Assets

Harlingen has many competitive assets, from its location close to Mexico and various ports to strong facilities and infrastructure. While very valuable to the economic viability of the city, the assets in Harlingen are shared among the other cities in the region, making attracting economic development to Harlingen competitive. As such, Harlingen has to continue exploring creative ways to utilize its assets and attract economic investment to stand out among the competition.

Strategic Location

Harlingen is at the center of the Rio Grande Valley, at the intersection of two major highways (I-69E and I-2). More than anything, Harlingen's proximity to Mexico, the United States' third largest goods trading partner, gives the city a prime position for industries such as logistics and manufacturing. It is near five of the twelve border crossings in the region.

Medical Facilities and Allied Health Professionals

Harlingen is today known for strong medical facilities having multiple health institutions and medical education facilities. This combination of facilities and many allied health professions has become the largest employment sector in Harlingen.

Valley Baptist Medical Center, Harlingen Medical Center, and the Veterans Administration Health Care Center, serve the clinical needs of the area. In addition, the UT Regional Academic Health Center (RAHC), a division of the UT Health Science Center at San Antonio (UTHSCSA), houses facilities for the, now UTRGV, School of Medicine. In May 2014, UTHSCSA opened a new "Smart Hospital" at the RAHC in Harlingen, a simulation hospital where medical students can experience different medical and emergency situations and simulate treatment options. The new hospital will increase clinical training by the campus, and is part of a larger institutional initiative for a cluster of UT campus facilities. Enrollments at the new facility will be fostered by other educational programs and efforts such as STEM, UTeach, and ValleySTAR programs.

Despite having these healthcare and teaching facilities, the Rio Grande Valley is under-served by medical doctors. The region has an average of 124 doctors per 100,000 residents while the national average is 240 per 100,000. Many of the graduates of the RAHC, and soon the new medical school, continue their medical career in Harlingen; however, it alone cannot meet the growing demand for medical services in Harlingen.

Moreover, the growth of medical institutions has significant influence on the growth of other subsectors within the healthcare industry, such as medical device manufacturing. Furthermore, medical facilities provide a stable, high-quality employment option that will foster creating high-quality jobs in non-medical fields that serve the medical field, such as food and laundry services.

Educational Institutions

Workforce education is critical to improving access to economic opportunities. Texas State Technical College is the largest technical school in the Rio Grande Valley, and it provides valuable workforce development for the entire region. With almost 6,000 students, the college provides 2-year associates degrees and certifications in key industries such as allied health and life sciences, advanced manufacturing, aerospace manufacturing, computer and information systems, and engineering among others.

The college is working with area school districts to prepare students for higher education through such programs as Dual Enrollment. The college is also working to cater programs to the changing needs of industries to minimize skills gaps.

Harlingen Consolidated Independent School District is working toward the goal of improving educational attainment. The district has instituted programs that help students see their potential for professional careers and provides resources to help them achieve the education toward those opportunities.

Major Trade Facilities/Airports/Ports

Valley International Airport (VIA) is one of three commercial airports serving the Rio Grande Valley. Air carriers providing service include Southwest Airlines, Delta Airlines, and United Airlines. Among the three area commercial airports, VIA has the longest runways and the greatest opportunity for expansion since it is surrounded by undeveloped land. VIA handles more than 40% of the region's domestic flights and more air freight than the other airports in the region. It is also surrounded with major amenities that support its services in commercial freight, and hosts major companies such as FedEx and DHL.

In addition to air cargo, Harlingen has resources for shipping via waterway. The Port of Harlingen is a significant waterway with a direct connection to the Gulf Intercoastal Waterway. The port also has a direct connection to the Union-Pacific Railroad and to several trucking companies. It is located adjacent to the Harlingen Aerotropolis. Harlingen's port serves as a major hub for imports and exports from the Rio Grande Valley. This port moves 100% of the area's sugar exports, 100% of the area's oil imports and 90% of its fertilizer imports. However, the port faces challenges with agriculture instability and competition from other ports.

Downtown Harlingen

Downtown Harlingen and the La Placita areas have seen recent reinvestment and renewed activity. Downtowns play a unique role in attracting talented people to a city, and the vitality of Harlingen's Downtown will continue to be important as Harlingen establishes its economic advantage in the region. After being virtually abandoned in the 1990s, Downtown now has an occupancy of over 90%.

Furthermore, the surrounding neighborhoods or Core Areas of the city around the Downtown and La Placita have enormous redevelopment potential. These Core Areas of Harlingen will continue to be one of the more unique city-center locations in the region.



The Port of Harlingen provides a vital link between barge and rail shipping for the region. Source: Port of Harlingen

Economic Growth - Key Actions

The following objectives and actions associated with each objective include key recommendations for **Economic Growth** in Harlingen. The main focus of economic activities should be to increase employment and to attract quality employers to the city. Economic growth is the single most important element in the near term, but the recommendations and actions for economic growth encompass and overlap with every other area of the plan.

Objective 1 Continue to aggressively pursue economic growth opportunities for the city.

The Harlingen Economic Development Corporation (HEDC) is charged with retaining, attracting and expanding jobs and economic growth in to Harlingen.

Action 1.1 Ensure that all area entities and the city are in alignment with the HEDC as it pursues economic growth opportunities for the city. Confirm and promote a uniform economic mission policy, built on past economic strategies such as Harlingen First - A Blueprint for Economic Vitality and the 2012 Catalyst Analysis current goals and identified clusters. This strategy ensures that all area entities conducting economic pursuits are in line with each other and promoting common goals. Goals should be published and recognized by all entities engaged in economic pursuits.

Goal Statement - Economic Growth

“Harlingen will have a strong, diverse and sustainable economy that provides quality job opportunities for its residents and that makes the city a great place to live and work.”

Action 1.2 Continue to support the HEDC as it pursues economic growth in the city. Preserve the funding resources that the HEDC has to promote economic development, and provide additional support as necessary and appropriate in the way of information, policy decisions, staff knowledge and assistance, and, if vital to an economic initiative, supplemental funding resources.

Action 1.3 Continue to support and maximize economic development partnerships and opportunities. Maintain, enhance and pursue bi-national partnerships with area cities on both sides of the border including Rio South Texas Economic Council, Cameron County Logistics Alliance, BiNED and other regional economic development groups.

- Work with regional partners to ensure that Los Indios Free Trade Bridge is included and promoted in bi-national discussions.
- Promote and advocate for improvements to increase border crossing efficiencies.



Valley International Airport is a key component of the city's economy and a major strength. Source: Valley International Airport

Action 1.4 Aggressively explore potential growth in the Mexico energy, oil and gas industry. Be on the forefront of exploring opportunities to support increases in regional oil and gas exploration on the Mexican side of the border by US or international businesses.

- Promote the city's location as a fast and direct connection into Mexico.
- Develop strategies to target entities or events where the city's assets, including access, logistics basing, and strong aviation access benefit those entities.

Action 1.5 Develop specific strategies to target sales-tax generating businesses. Target retail and commercial entities that generate sales tax, as a way to increase the city's sales tax base.

Objective 2 Strengthen the city's economic infrastructure.

Action 2.1 Strengthen the city's economic infrastructure (including Los Indios Free Trade International Bridge [the bridge], the Port of Harlingen [the port] and Valley International Airport [VIA]). Continue to improve infrastructure at key economic facilities in the area.

- Ensure that transportation connections to the bridge and the port allow rapid connections and significant truck movement (including overweight corridors). Work with the CCRMA and TxDOT to improve the FM 509 corridor as a direct and rapid link between VIA, the port and the bridge.
- Promote the development of cold storage inspection facilities at the bridge to build usage as a key fruit and vegetable border transit facility.
- Work with state and national law enforcement entities on both sides of the border to promote a high level of security around the bridge and connecting roadways.
- Promote the use of the VIA for additional general aviation, cargo and airport related uses. Ensure that roadway



*The Bass Pro Shops development and areas around it provide a strong economic development success story.
Source: City of Harlingen*

connections in the area such as Grimes and 509 provide superior linkages to the proposed Aerotropolis development on the east side of the airport. Pursue improvements that allow for rapid connections to I-69E and I-2.

- Pursue funding to improve the Federal Immigration Services Building at VIA to attract international passenger service. Explore grants or co-funding opportunities to help defray the cost of improvements.
- Explore cooperative agreements with other regional airports to grow the aviation market in the region and attract much larger aviation business opportunities.
- Work with area private land owners and developers to develop first class distribution facilities and business parks that can rapidly respond to new area prospects.

Action 2.2 Target and sustain the Medical and Health Industry as a key economic initiative. As a top priority, support and maintain the current health industry, and support the recruitment of new health care entities to Harlingen.



Continue to develop and promote quality of life amenities that help attract businesses and professionals to Harlingen. Source: City of Harlingen

- Support the establishment of a “district” that can be used to attract and retain health industry businesses. The district may be financial, physical or policy driven in nature, or all of the above.
- Promote all aspects of the city, not only the district, but also the quality of life, housing, education and cultural amenities of Harlingen.

Action 2.3 In every way possible, support improvements to the educational system and infrastructure in Harlingen. As a top priority, promote increases in the quality of education in Harlingen.

- Facilitate business partnerships with TSTC for internships and hiring.
- Support the Harlingen CISD through training partnerships and innovative educational initiatives.
- Support school funding initiatives to provide first class school facilities at every level.

Objective 3 Continue to target quality of life features that make Harlingen an attractive place to live.

Action 3.1 Pursue retail and entertainment opportunities that increase the quality of living in Harlingen. Target key retail, dining and entertainment entities that promote a high standard of living in Harlingen.

- Provide financial incentives to make it economically viable to achieve full occupancy at Valle Vista Mall, or to support redevelopment efforts.
- Work with TxDOT to maintain and improve access to high visibility regional retail and restaurant locations near Bass Pro Shops and Sam’s Club.
- Allow signage that helps promote and increase visibility for entities in those developments.

Action 3.2 Continue to target ecotourism opportunities. Build on and enhance the ecotourism infrastructure in the city, and pursue entities that use that infrastructure to create employment (such as tour operators, birding equipment vendors, etc.).

- Continue to develop access and trails throughout the city, including the Arroyo.
- Promote water access to the Arroyo, including a vendor to provide kayak tours.
- Expand ecotourism and cultural events that attract visitors to Harlingen.

Action 3.3 - Promote and expand city amenities.

- Promote key city amenities such as the new Harlingen CISD Aquatic Center, the Performing Arts Center, key cultural events and the city’s downtown area as additional attractions for area professionals.
- Pursue the development of a high-end hotel facility in Harlingen. Make stronger linkages to key community assets, such as the Valle Vista Mall, the Cameron Crossings development which includes Bass Pro Shops, Sam’s Club and Valley International Airport, the Tony Butler Golf Course or overlooking the Arroyo Colorado as a placement incentive for the hotel.

Objective 4 Ensure that development policies and standards are on par with other area communities.

Action 4.1 Continue to adjust city policies and development standards (and the application of those) as necessary to ensure that they are comparable to other area communities.

- Evaluate and where necessary streamline development policies and costs to promote Harlingen as an attractive investment and development option.
- Harlingen must ensure that the impact fees it charges for infrastructure, especially water and wastewater, are not a detriment to development in or near the city. Rate studies and other tools should be used to generate rates that are fair and that promote quality development. Consider small rate increases if necessary to balance funding needs.

Additional Economic Development Implementation Strategies

Consider the following implementation strategies related to economic development:

- Create a citywide economic development strategy and update it on a regular basis.
- Explore and develop sources of funding for immediate and quick turn-around opportunities.
- Convene regular economic roundtables to discuss key issues and needs.
- Provide mapping, technical and information needs, and support to EDC staff.
- Utilize and develop key funding mechanisms such as special districts to develop support infrastructure.
- Hire experienced grant writers to pursue a variety of grants to help fund initiatives and needed infrastructure.
- Maintain strong and frequent lines of communication with key economic sectors, including the health care, retail, banking, industrial and housing sectors. Assign EDC or city staff to



Valle Vista Mall. Source: City of Harlingen

help address or coordinate the resolution of key concerns or opportunities.

- Conduct annual or periodic business surveys to identify key issues and test potential solutions.
- Expand attendance at key state and national recruiting events.

Key Measures to Track Economic Development Progress

Develop key measures to track economic development progress. These may include:

- Increases in sales tax revenue and overall retail sales.
- Increases in housing values.
- Building permit activity.
- Increased boardings at VIA, and maintain or increase share of regional traffic.

THE FUTURE: TRANSPORTATION



I-2 and I-69E meet at Spur 54 and the Cameron Crossings development area. Source: Harlingen-San Benito Metropolitan Planning Organization

Other Pacific ports besides Long Beach can now off-load Asian containers and transport them quickly via truck to ports on the Gulf of Mexico, including Brownsville, Tampico and Veracruz. Produce can also now travel quickly from farms in Mexico to border crossings in the region. The crossing at Los Indios is poised to benefit significantly from these new routes.

The 2013 Thoroughfare Plan - An update of the city's Thoroughfare Plan in 2013 provided a road map for thoroughfare extensions and connections in both the existing and to be developed areas of the city. Shown on this page, the 2013 Thoroughfare Plan provides long-range guidance and prioritization even into the Extra Territorial Jurisdiction (ETJ) areas of the city.

The 2013 Thoroughfare Plan calls for a standard set of roadway types, ranging from arterials with significant vehicular volume capacity to narrower local neighborhood streets. Recommendations to further enhance the Thoroughfare Plan are contained in this section.

Transportation is one of Harlingen's key strengths. The city's location at the intersection of I-2 and I-69E creates a strategic central location for the distribution of services throughout the Lower Valley area. Internally, major thoroughfares provide quick accessibility to most parts of the city, and Loop 499 creates a well designed outer loop around the eastern portions of Harlingen. Compared to most other cities in the region, and even similar sized cities throughout Texas, movements from one side of the city to another are comparatively fast, and yet streets within most neighborhoods are slow-moving and quiet.

Furthermore, Valley International Airport and the Port of Harlingen provide complementary aviation and shipping options. With the Los Indios International Free Trade Bridge, Harlingen also has a border crossing with low traffic volumes and a quick border transit.

Mexico's Trans-Pacific Highway is now essentially complete, and has created new alternative gateway routes for shipping.



Valley Metro service in the Harlingen area. Source: Valley Metro

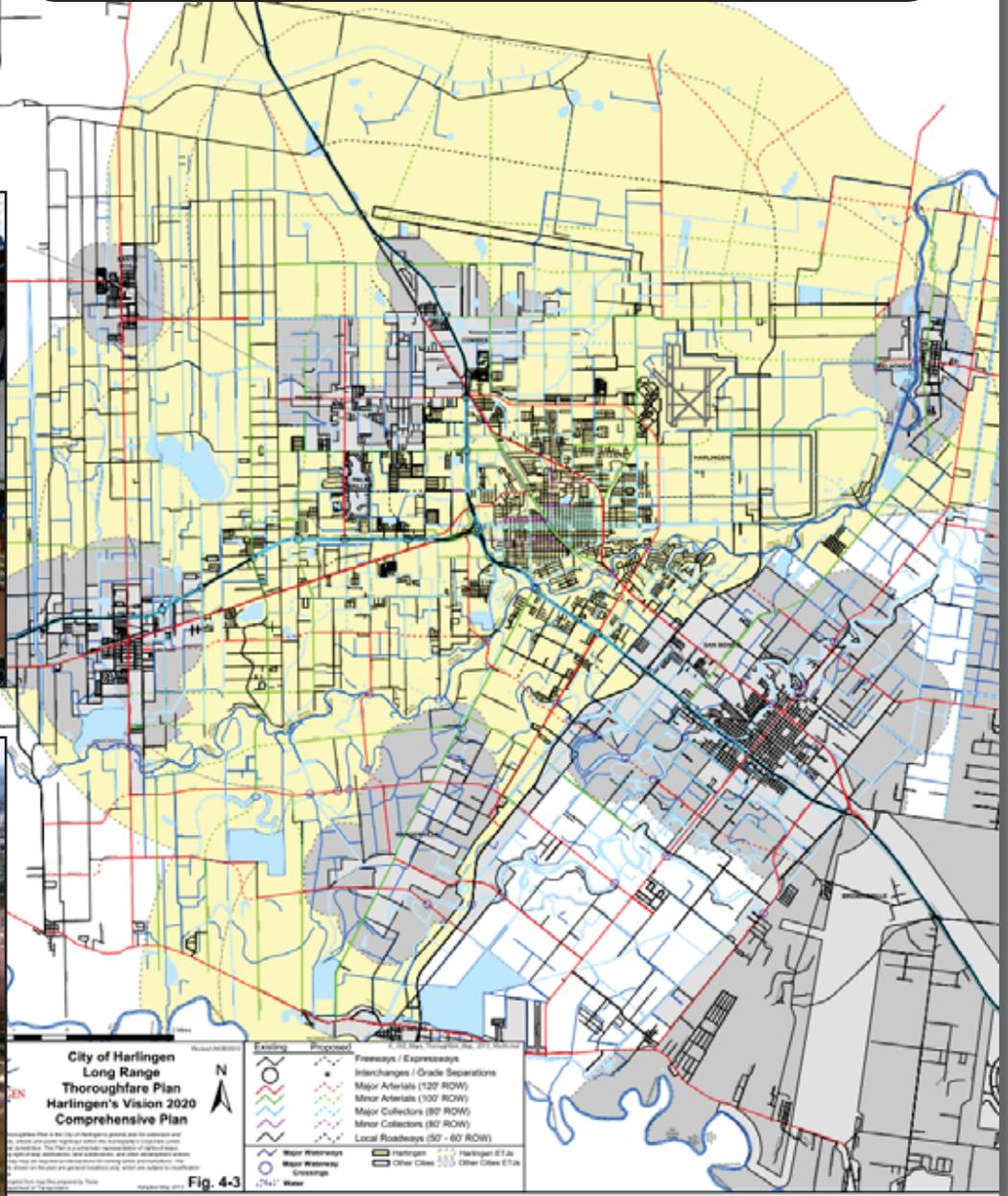
The city's transportation system is one of Harlingen's key strengths, both regionally and for movement within the city.



Valley International Airport and the Los Indios Free Trade Bridge are also major transportation assets. Source: City of Harlingen



Figure 2.1 Thoroughfare Plan



Transportation Philosophy

Ultimately, transportation’s goal is measured in access and mobility: in other words, where you are going, and how you are getting there. A good transportation system provides balance between accessibility and mobility to create speed and efficiency in the movement of people and goods.

But accessibility and mobility are subjective topics. It is not enough to just lay down pavement between two points. Depending on the situation different scales of roadway or transportation solutions are called for (see Street Hierarchy: A Functional Classification System on this page). Additionally, mobility can change depending on the *mode* of travel. Mobility for a car travelling for 20 miles is vastly different than that for a bicyclist going 3 miles. Furthermore, land use, destinations, and accommodating various transportation modes all impact the way we look at transportation and what makes it efficient and effective.

However, transportation plays a much more important role than just moving cars, bicycles, or people. Transportation is critical in guiding development, supporting land uses, and defining the character of an area. Roads are the most common public space in a community. They are where people encounter each other and where commerce occurs.

First and foremost, access, mostly by motor vehicle but increasingly by walking or bicycle, is the lifeblood of commerce and the economic life of Harlingen. Excellent access

can mean the difference between an average commercial area and one that excels. While Harlingen has a very good existing network of streets, it also has multiple corridors such as railroad tracks, drainage and irrigation canals, natural features such as the Arroyo Colorado, and even major freeways that separate areas of the city. **Resolving these barriers is a key to increased commercial viability and indeed increased livability of Harlingen.**

Moving forward, the Harlingen Comprehensive Plan recommends a **multi-modal approach** to transportation issues that reflects Harlingen’s desired character. Multi-modal means that it considers not only facilities for automobiles, but also includes plans for transportation for bicycling, walking, public transit where applicable, and movement of freight.

There are two transportation policies that should be adopted by Harlingen to guide its approach to transportation: context sensitive solutions and complete streets. These policies are intended to guide planning and design efforts both by the city and by individual development entities. They instill and require a philosophy of designing streets in a way that meets all goals and values of the community, and should be adopted by Harlingen as an integral part of future transportation planning and design.

STREET HIERARCHY:

A FUNCTIONAL CLASSIFICATION SYSTEM

Functional classification is the process by which streets and highways are grouped into classes according to the character of service they are intended to provide. It will impact the roadway design.

Arterials move large volumes of traffic between major destinations. They prioritize mobility over accessibility in order to provide the highest level of service at the greatest speed for the longest uninterrupted distance, with some degree of access control.

Collectors provide the transition from arterials to local streets. Service is at a lower speed for shorter distances by “collecting” traffic. They typically connect residential areas, local shopping centers and destinations and move traffic over shorter distances. Collectors try to balance mobility and accessibility.

Local streets include all roads not defined as arterials or collectors. These streets provide access to properties, typically residential or local destinations. Local streets prioritize accessibility over mobility.

Many communities have developed more complex hierarchies of their street network to include different types of roads within each broader classification, with slight variations to mobility and accessibility.

Adapted from *Flexibility in Highway Design*, US DOT, Federal Highway Administration, <http://www.fhwa.dot.gov/environment/flex/index.htm>

Context Sensitive Solutions

Context Sensitive Solution (CSS) refers to an interdisciplinary approach to designing a transportation facility that is sensitive to community values. The policy dictates flexible roadway and development standards so that these facilities can respond to and be developed in harmony with the surrounding economic, social, and environmental context.

Streets should be looked at as “places” and given careful thought to their design as places people experience, rather than just travel through. In fact, streets are the single most important “framework” element in a city, and how they look tells us everything about a city.

Many communities have learned that designing places around the automobile diminishes the quality of life of a community, not enhances it. A context sensitive solution approach results in roadways that protect and reflect the environmental, scenic, aesthetic, historic, and cultural values of the community while also improving or maintaining safety and mobility for roadway users.

Context sensitive solutions are used regularly with highway design and are embedded in the policies of the Texas Department of Transportation. Using the CSS approach with highway design helps alleviate the impact large roads have on the natural and human environment.

Streets are among the most important “framework” elements in a city, and how they look tells us everything about a city.



Examples of context sensitive solutions in Harlingen.
Source: Harlingen-San Benito Metropolitan Planning Organization.



Complete Streets

Complete streets are those that provide safe access for all users: pedestrians, bicyclists, motorists, and public transportation users of all ages and abilities are able to safely move along and across a complete street.

Benefits of complete streets include:

- More efficient streets that increase the overall capacity of the transportation network.
- Safer streets for walking and bicycling which can help to encourage children and youth to walk and bicycle to school, a key strategy to keep kids active and healthy.
- A healthier community by encouraging walking and bicycling.
- Families will enjoy lower transportation costs by expanding and enabling choices in transportation.



W. Pierce Avenue in Harlingen illustrates how a street can create a strong sense of place and enhance the value of a neighborhood. Source: Google Streetview

Transportation Recommendations and Key Actions

The following actions include key recommendations for transportation in Harlingen. These transportation recommendations promote the balancing of a strong local and regional transportation network with increased emphasis on alternative transportation modes and roadway aesthetics.

Goal Statement - Transportation

“Harlingen will continue to maintain and create excellent regional and local transportation options that enhance the character of the city and provide for all modes of travel.”

Objective 1 Plan for strong regional roadway connectivity.

Action 1.1 Support completion of the FM 509 corridor. Support TxDOT and the Cameron County Regional Mobility Authority (CCRMA) as they work to enhance the FM 509 corridor along the eastern edge of the city. This key corridor will strengthen links to Harlingen’s industrial area and the Medical district area from I-69E and the bridge.

Action 1.2 Work with the CCRMA to ensure that the proposed north Tollway addresses Harlingen’s needs and benefits the city.

- Ensure that the new tollway provides superior connections to roadways into Harlingen (both in the form of ramps as well signage announcing Harlingen and its assets).
- Ensure that frontage road opportunities are allowed for potential future development of lands surrounding the tollway.



Planned improvements to the FM 509 corridor and a north toll road connecting I-69E to the northern end of South Padre Island. Source: Cameron County Regional Mobility Authority and HNTB Corporation

Objective 2 Plan for greater local connectivity.

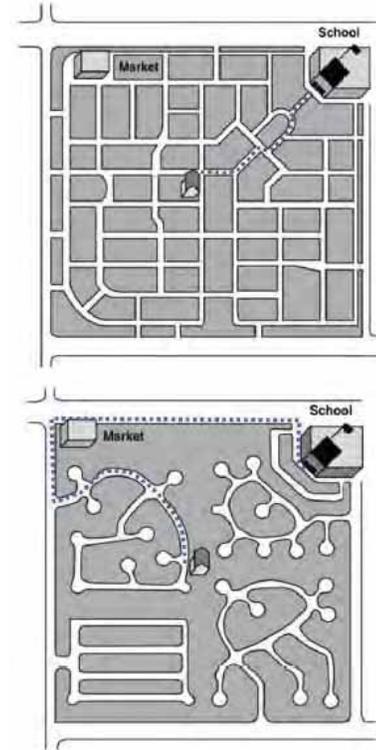
Action 2.1 Adopt and implement a policy of connected developments to reduce the need for short trips on major roadways. Work with new developments to provide connections between adjacent developments (see neighborhood connectivity diagrams on this page).

Action 2.2 Improve roadway capacity in West Harlingen by requiring new developments to connect to more than one area arterial or collector, rather than continuing to build enclaves with only one way in and out.

Action 2.3 Improve connectivity in the Core Areas of the city. Convert the majority of streets in the Downtown Improvement District/La Placita area back to two way travel.

Action 2.4 Continue to evaluate opportunities to further reduce the impact of rail traffic on traffic in the Core Areas of the city.

- Continue to work with the CCRMA, Union Pacific, TxDOT and the State of Texas to minimize train delays and smooth the flow of rail traffic through the center of the city.



Connections between neighborhood streets provide multiple routes out of a neighborhood, rather than channeling all traffic to one or two points. They also allow for better pedestrian mobility to schools and parks. Source: Pedestrian and Bicycle Information Center, Safe Routes to School Guide

- Evaluate state and federal opportunities to fund rail improvements as they become available.

Action 2.5 To facilitate east/west travel, improve East Wilson Road and connect it to N. Business 77 (Sunshine Strip).

- Wilson Road serves as a busy alternate connection between east and west Harlingen.
- Improve and maintain pavement along East Wilson Road, expand to three or four lanes which is necessary because of the amount of industrial traffic.
- Connect Wilson Road east of Commerce to Business 77 (Sunshine Strip) via an expansion of Markowsky Avenue.

Action 2.6 Re-evaluate the planned connection of Rio Hondo from Ed Carey to FM 509 along the southern edge of the airport (consider emphasis shift to Grimes Avenue).

- Help minimize development in this area to allow for long term runway extension if needed.
- Consider the designation of Grimes Avenue as a spur to provide a key east/west connection between FM 509 and Loop 499 Ed Carey.

Objective 3 As a key community identity effort, improve the appearance of key roadways and streets to serve as gateways and major aesthetic corridors through the city.

Action 3.1 Designate the following boulevards, avenues and streets as “great streets” meaning that over time they will have landscaping, decorative lighting, pedestrian enhancements and possible overlay requirements that enhance their stature as key gateways and landmarks in Harlingen. In some areas, medians may be reintroduced near gateway areas. Examples are shown in the Community Identity section of this chapter.

- Tyler/Harrison Avenues
- Sunshine Strip (from Morgan in the north to Ed Carey in the south)
- Loop 499/Ed Carey
- Commerce (from Business 77 to Jefferson)
- F Street
- Business 83
- Dixieland Road
- Spur 54

Action 3.2 Enhance key median intersections into major distinctive citywide landmarks.

- Add short median sections along portions of Commerce Street, F Street, Business 77/Sunshine Strip.
- Enhance key areas of Spur 54 at gateway areas within the existing median.

Action 3.3 Maintain Tyler and Harrison as a one-way couplet through the city, but enhance the appearance of both avenues, add bicycle facilities and complete missing sidewalk segments.

- As a high priority, enhance gateway areas of Tyler and Harrison at I-69E leading into the Core Areas of Harlingen.
- Enhance other areas of Tyler and Harrison with bicycle lanes and added sidewalks.
- Add decorative street trees and lighting elements.
- Enlist TxDOT support if feasible to help fund landscaping improvements.

Objective 4 In key areas, provide options for pedestrians and bicyclists.

In key high activity areas, facilities to encourage walking and bicycling should be added. These are not a one time fad, but rather reflect a widely growing interest in alternative ways to get around cities everywhere. By reducing roadway trips, they reduce traffic congestion and promote greater health.

Action 4.1 Ensure that all roadway types have optional standard cross-sections that incorporate bicycle facilities and sidewalks.

- Develop new street cross-sections that include bicycle lanes and wider, more pedestrian-friendly sidewalks.
- Consider reducing lane width and/or the number of lanes to slow traffic and to allow for better bicycle lanes.

Action 4.2 Identify key nodes and areas with potential for increased bicycle and pedestrian activity. These may include:

- TSTC and the Marine Military Academy, with connections to the new 25th Street trail corridor.
- The Downtown and surrounding Core Areas (where a dense network of streets creates many options for bicycle and pedestrian travel with limited vehicular traffic).
- Valle Vista Mall and the Cameron Crossing (Bass Pro Shops/ Sam’s Club) regional retail area.
- The entire Medical District, as well as adjacent resident neighborhoods.

- Areas within a 1/2 mile from the Arroyo.
- Neighborhoods in close proximity to schools.

Action 4.3 Improve walking and bicycling facilities around area primary and secondary schools. Focus on sidewalks and safe bicycle facilities for school-aged youth living within a 1/2 mile of area schools.

- Within each school, organize safe routes to school programs led by Parent Teacher Organizations.



Currently, most cycling opportunities are at parks and trails.
Source: Harlingen-San Benito Metropolitan Planning Organization.

Action 4.4 In the future, put a buffer between sidewalks and the back of curb. Avoid putting sidewalks along the back of curb unless absolutely necessary (so as to create a better pedestrian environment).

- Create sidewalks that are really attractive to walk on, not sidewalks that expose pedestrians to nearby traffic. If necessary, reduce lane widths to create room for better sidewalks (has the added benefit of slowing traffic in key areas).
 - In ordinances, require use of a green buffer zone where feasible. Encourage the development of more wider, pedestrian-friendly sidewalks.

Objective 5 Continue to strengthen Harlingen's other transportation systems.

Action 5.1 Maintain Valley International Airport as the premier airport in the region for convenience and accessibility (discussed further in this chapter).

Action 5.2 Continue to support and expand area mass transit options.

- Support Valley Metro routes from Harlingen to other area destinations by creating key pickup/drop-off points in West Harlingen. Enhance bicycle and pedestrian connections to these key pickup points.

Action 5.3 To expand opportunities for transportation outside of vehicle ownership, consider and adopt policies to become a leader in innovative private transportation systems such mini-bus transit and private vehicle rental systems (Uber, Lyft, etc.).

- Be willing to consider new transit, car sharing or ride-sharing alternatives as these evolve.
- Review rules and regulations pursued by cities around the country as they explore how to regulate but also allow these new entities to operate. Adopt those that are applicable to Harlingen.

THE FUTURE: DRAINAGE & UTILITIES

The topography, climate and soils of the Harlingen areas are favorable for agriculture, irrigation, and urban development, but they combine to make adequate drainage challenging, and potential flooding can create severe limitations for urban land uses. Provision of adequate drainage for built-up areas, lots, streets and open areas is essential to protect susceptible land uses and activity areas from property damage, injury or loss of life caused by standing or flowing water. The level of protection

needed depends upon the magnitude of potential loss. For example, residential and commercial areas require a high degree of protection from flooding, while parks and outdoor recreation areas may need minimal protection and in some cases can actually serve as temporary drainage areas during unusually high rainfall events.

The City's 2004 Comprehensive Plan noted that drainage was a major infrastructure consideration, given the threat of major storms coming out of the Gulf of Mexico.

In 2008, Harlingen developed a citywide Drainage Master Plan. The purpose of the plan was to provide the City of Harlingen with information to manage its drainage systems so as to provide a higher level flood protection for residents and property in the city. The plan contained information on the condition and effectiveness of the existing drainage system and identified potential drainage problem areas or areas with inadequate systems. The plan proposed improvements and costs associated with each recommended improvements, and also prioritized improvements and recommended drainage policies and design criteria for future drainage improvements.



Improvements to the Jefferson Drainage Ditch. Source: City of Harlingen

Drainage projects completed since the previous comprehensive plan include:

- The Downtown Drainage project
- The 7th and Bowie Drainage project
- The Green Acres drainage project
- The Matz/New Combes drainage project
- The Northwest Drainage Project
- The Commerce Street/Filmore interceptor drainage project
- The Louisiana & Massachusetts drainage project

The City's Public Works Department continues to implement drainage improvements as funding becomes available. Other ongoing drainage improvement efforts include:

- Phase 3 of the Northwest drainage project
- Paloma Lane drainage improvements
- Jefferson Drain ditch improvements

Floodplain Management

As noted in the previous comprehensive plan, strategies and tools for floodplain management generally include several options:

1. **Modify Flooding** - Construction of dams and reservoirs, dikes, levees, floodwalls, channel alterations, diversions, land treatment, or on-site detention are traditional methods of protecting property and saving lives. These measures are effective up to a point, but leave the risk of flooding losses elsewhere and for potential rare flood events surpassing their protective ability.
2. **Restore the Natural Floodplain** - Avoiding development within floodplains is critical and is the best way to protect against flood damages. Potential tools to accomplish this include Federal, State and local floodplain regulations, information and education, tax incentives, and proper land use planning.

Goal Statement - Drainage and Utilities
“Continue to work towards reducing the impact of flooding on the residents of Harlingen”

3. **Reduce Susceptibility to Floods** - Nonstructural measures for reducing flooding problems include sound development policies for private and public development, flood warning and forecasting, disaster preparedness, floodproofing of buildings and structures, and proper enforcement of floodplain regulations.
4. **Minimize Impacts of Floods** - Nonstructural measures for minimizing flood losses include flood emergency measures, public information and education, flood insurance, flood recovery assistance efforts, and tax incentives for proper floodplain management.

Awareness of flood hazards and use of appropriate floodplain management policies and techniques are inherent in the actions included in this comprehensive plan. Official flood plain maps identify flood hazard areas and directs future development away from these areas. Reducing future potential flood losses requires more than structural measures, but should also include protection of the natural floodplain from inappropriate development and manmade obstructions. The City of Harlingen's floodplain management program integrates the available strategies and tools for short and long-term actions and programs to serve the community.

Goals and Objectives

Key drainage issues in Harlingen include the need for funding to implement stormwater system improvements, and the need to regulate development to reduce impacts on flooding in the area. The objectives for drainage in this Comprehensive Plan are based on the findings of the 2004 Comprehensive Plan and the 2008 Drainage Master Plan, and are designed to address the two key drainage issues. They include:

Objective 1 Continue to exercise sound management for floodplain areas and stormwater drainage throughout Harlingen.

Action 1.1 Guide new (or redevelopments) development through regulations that minimize the potential for flood damages to existing and future development by requiring proper finished floor elevation designation on final plats and in new construction plans.

Action 1.2 Maintain and enforce a floodplain management program in conformance with the regulations and guidelines of the Federal Emergency Management Agency and the National Flood Insurance Program.

Action 1.3 Maintain up to date training of the City's Floodplain Administrator as provided by qualified agencies.

Action 1.4 Continue to cooperate with CCDD #5 to ensure that federal flood insurance mapping for Harlingen and nearby areas is updated based on the most recent drainage studies conducted by the City, Cameron County, State of Texas or Federal agencies.

Action 1.5 Continue to coordinate floodplain management and drainage improvement planning with other governmental agencies responsible for stormwater management in adjacent areas.

Objective 2 Maintain, improve and efficiently utilize existing drainage and flood protection infrastructure.

Action 2.1 Continue to implement the recommendations of the Drainage Master Plan. Identify funding sources, where local or grants, so as to develop those improvements as rapidly as feasible.



Flooding in Harlingen. Source: City of Harlingen

Support the availability of adequate public funding to ensure drainage system development, operation and maintenance. This should include developer participation to serve new or ongoing developments. Planning for new development and redevelopment should include analysis of storm drainage impact and identification of drainage improvements needed to accommodate any resulting increased stormwater runoff.

Action 2.2 As directed by the Drainage Master Plan, construct remedial improvements to provide adequate storm drainage for known areas of poor drainage within the city.

Action 2.3 Continue to monitor existing drainage facilities and perform maintenance as necessary to maintain their water carrying capacity. This may include removal of trees, trash, sediment, and other debris or obstructions.

Objective 3 Coordinate future growth with efficient drainage infrastructure.

Action 3.1 Acquire additional right-of-way necessary to construct future storm drainage and flood protection improvements through the City's subdivision processes.

Action 3.2 Require development to incorporate adequately designed drainage improvements, including appropriate use of detention ponds to reduce discharge of stormwater to the rate that can be accommodated by the downstream drainage system.

Action 3.3 Update the City's storm drainage master plan as appropriate, and implement the recommended improvements in cooperation with other governmental jurisdictions.

Action 3.4 Continue to coordinate with the Texas Department of Transportation (TXDOT) when constructing new transportation corridors to ensure adequate drainage needs are planned to prevent future costly increases.



Butterfly and Hummingbird Garden at Fair Park, one of the many unique parks in Harlingen
(Image source: Half Associates)