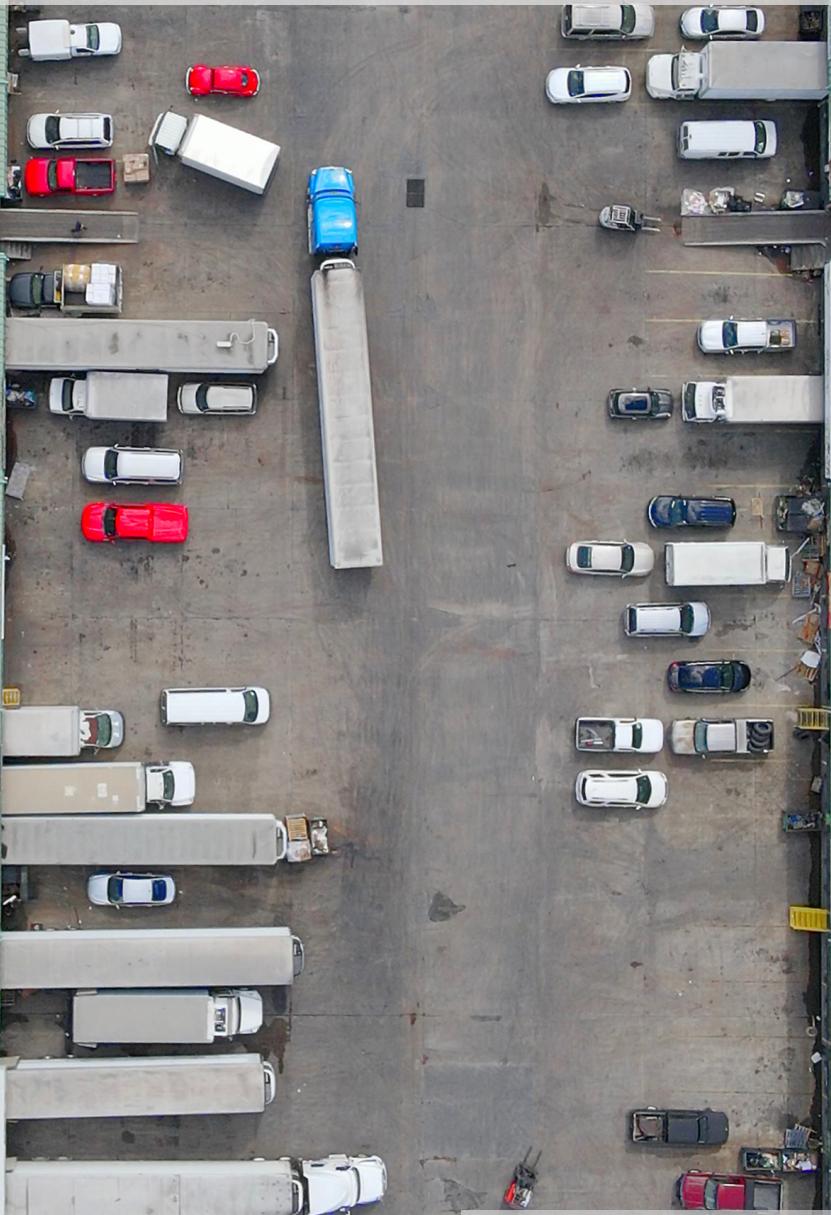




NEWS & UPDATES



McAllen Produce Terminal Market

NEWS & UPDATES

NOTES FROM KEITH

2021 has started with all engines revving. With the pandemic nearing its year mark, we continue to adapt to companies' needs within McAllen and those looking to move to McAllen. We launched our new logo during the close of 2020, an adaptation of the previous logo with a change in the color scheme. We swapped out the red for the green, signifying prosperity and growth. We will also continue launching a new website over the coming months with a new tool in place to provide more of a virtual experience for those looking to learn about what McAllen has to offer.

Our international outreach continues to expand in scope. During our travels to China in 2019, we made contact with several key networking groups. From those networking efforts came an opportunity to present to over 100 investors in January 2021. We made a presentation alongside two other state economic development organizations from Pennsylvania and South Carolina. During our presentation, we featured our unique location along the U.S. and Mexico border and our specific industrial-strength within various industries. We garnered our viewers' interest when discussing the unique relationship we have with Mexico maquiladoras and the twin-plant model.

We are excited to share with the community news of the expansion of an existing company MEDC recruited, Kemper Corporation. In late January, Kemper Corporation announced they will build a new 70,000 sq. ft., two-story facility in McAllen and add 300 new jobs over the next three years. After completing the new LEED-certified office building, Kemper's presence in McAllen will include three facilities, and its local workforce will total more than 700 employees. Kemper is a project, Janie Cavazos, Vice President of Business Recruitment for McAllen EDC, has worked on diligently for more than a year. Kemper joins numerous fast-growing companies within McAllen. We are excited to join in congratulating them on their expansion. We will be sharing career opportunities as they become available.

Finally, we continue to see a steady increase in cross-border trade, despite a worldwide pandemic. We are about a year from the initial USMCA being signed. For an update on the evolving standards of agreements, Mr. Jorge Torres, the President and Licensed U.S. Customs Broker of Interlink Trade Services, presented at a webinar McAllen EDC hosted Thursday, February 11, 2021. Topics covered were USMCA updates, the focus on the New Administration, and the impact of Covid-19 on trade. For the recorded webinar, visit our website.

I invite you to take some time to read this month's features as we have focused on Santos International for our Made in McAllen feature highlighting International Customs and Trade Day in late January. We have also taken some time to meet with the Botello family for our rooted in McAllen feature. We discuss the growing Botello Family legacy as they continue to flourish in McAllen and throughout Texas. Regarding the upcoming engineering week of February 21, we thought it would be appropriate to feature Texas Manufacturing Assistance Center at UTRGV and highlight the critical role David Ortiz and his team play in the continued growth of manufacturing in South Texas.

Thank you for taking the time to learn about a small portion of what we have going on at McAllen EDC.



"The strong agricultural roots of McAllen continue to make us unique. As I was growing up in McAllen, all you could see were farms and orange groves as far as the eye could see. Crop dusting planes were everywhere, pick-up trucks and reefer trucks carrying produce were a common view," explains Elio Botello Jr. of his growing up in McAllen while learning the ropes of the produce industry.

McAllen has its roots in growing and selling produce. Not only did McAllen excel at agriculture but it has always been a hub where produce from Mexico has crossed the border. The voracious appetite from the US and Texas for more produce has been the perfect driver to create a synergy of supply and demand. Savvy businesses in McAllen have capitalized on this demand to grow into one of the most important crossing points in the Produce supply chain from Oaxaca to Canada and everywhere in between.

Free and fair international commerce was the inception and continuing legacy for Botello Companies. With a start in Monterrey, Santa Catarina, Cancun and Reynosa Mexico in 1984, Elio Botello Sr. saw a need in McAllen that would start his family, planting roots here. Today they have a roster of more than 13 companies providing operations to support the growth of other companies in the area, this was always the vision and prime goal for Elio Botello since the inception of one of his first projects in McAllen back in 1991.

That first McAllen project, now infamously known as the McAllen Produce Terminal Market has helped many companies grow their operations and presence within North America.

The Botello family attributes the roots of their success to the help and facilitation from the City of McAllen in support of their first project. Throughout the years of working alongside McAllen EDC and the various McAllen mayors and commissioners, the pro-business environment has planted the seeds of growth for the Botello Family and the McAllen industrial sector.

Thirteen companies later, the Botello leadership is comprised of an "all-in-the-family" team. Elio Botello Sr. his son, Elio Botello Jr., and his son-in-law, Luis Fernando Narvaez, all share the responsibilities for various projects within the thirteen companies. Within those projects include the expansion of their operations in McAllen and in San Antonio. Their goal continues to be that of the first goal Mr. Botello Sr., had at the beginning, to help companies of any sizes prosper. "We have a vast portfolio of properties of various sizes that meets the needs of clients of almost any size whether they are growing or constricting their business at any given time," explains Elio Botello, Jr.

To learn more, visit their website at: www.mcallenwarehouse.com



Their measure of success comes from the success of those companies and clients whom they have helped along the way. The creation of new jobs, providing the space, infrastructure, technology, and cold storage to support the industry's demand is the measure of success for the Botello legacy. One of their greatest indicators of success is how well their clients are doing and eventually outgrow the facilities provided by one of the Botello companies. "We have always been incredibly proud to be an incubator for business in McAllen," Elio Jr., humbly explains.

Leaving his mark on McAllen's industrial sector, Elio Botello Sr., has made sure it will continue by instilling the importance of a combination of education and hands-on learning. In order to be prepared to grow the business, he showed Elio Jr. and his son-in-law, Luis Fernando, the ropes by having him study every level of work that entailed the operational layers of the companies. One of the more impactful memories Elio Jr., reflects on is a summer he worked with the maintenance staff at the McAllen Produce Terminal Market as well as making produce deliveries to local markets and restaurants. In looking back, he understands and appreciates how those responsibilities and jobs make up very integral parts of the entire operation.

"Take risks," is the advice Elio gives to anyone looking to do business in McAllen. McAllen has and continues to be the land of opportunity for those willing to put in the work and take risks. Wanting to do it, have the confidence to pursue the big dream. McAllen will help you along the way. Elio Jr. can't stress it enough, "Never be afraid to do something bigger, whether it's that dream restaurant you've always imagined or a million square foot warehouse, take the risk."



To listen to the full interview please visit our website: www.mcallenedc.org/podcasts





One call, that's all, type of customer service is the standard Jimmy Santos has set in place for his 48-year-old business. This idea builds on the excellent Santos service reputation that began when his father Santiago moved here in 1947, already seeing the bright future for international commerce in McAllen.

Continuing this first-class service to domestic and international clients still is the foundation of Jimmy Santos Inc, dba Santos International. To accomplish this goal, after obtaining his U.S. Broker's license in 1973, Jimmy opened his office at a time when few brokers existed in the area. Since then, many new brokerages have opened but Santos International remains the oldest locally owned brokerage company with an original owner still proudly serving the import community.

Goals have not changed as Santos International works to provide the best client supporting U.S. Custom Brokerage with in-house international logistics. Since its opening, the company always seeks better ways to provide a single intermediary between shipper and consignee to simplify client communications and product delivery.

It was a humble beginning with a one-room office in Hidalgo, Texas, and the start had many goals but little money! Thelma Santos, Jimmy's wife, soon also passed her Brokers' exam, becoming part of the company and a significant player in its development. Three sons, Edward, Carlos and Mark, then completed their college education and joined their strengths to make Santos International the dynamic company it is today.

Almost five decades later, Santos International has principal offices in two of the nation's busiest U.S.-Mexico truck ports of entry, Laredo and McAllen, TX. Today, Santos International provides a complete portfolio of local and national full U.S. Customs Brokerage services with four in-house brokers. If there should be a need for a legal consultation, another son, Daniel Santos, has his own law practice coupled with his U.S. Customs Brokers license. Knowledgeable expertise includes international logistics, ocean, air, land customs clearance, in-house foreign trade zone warehouse services, reliable Mexican brokers, cargo insurance, and 80,000 sq. ft. dry storage, with an additional 50,000 sq ft at TransKool Solutions, their cold storage facility.

Currently, Santos International serves many international companies clearing millions of dollars' worth of electronic components, power supplies, automotive parts and a complete array of fresh produce.

The company attributes its longevity and rising success to its flexibility to adapt to ever-changing technology and standards that make trade as seamless as possible while always maintaining personal customer service.

Global trade is a complicated business. To better help clients meet their trade goals, For the last 28 years, Santos International has been a member of United Shipping Inc., a Global Logistics Association. This partnership allows the company to travel to over 25 countries for biannual meetings to discuss particular client needs. "It is truly rewarding for me to sit at a table across from our foreign partner, be it a partner from Germany, China, Argentina, Belgium, or Mexico, to identify a better and more economical trade alternative for our client," says Carlos Santos.

When a client calls seeking guidance, there is always a Santos available to help. Edward Santos will keep you up to the minute on your current shipment and status. "Clearing a critical industrial part for a maquila that's down or for a shipment such as highly perishable fresh strawberries is what we understand and deliver on time." Mark Santos will gladly assist you in fully utilizing the many benefits of being a Santos partner and guide you through any new legislative regulations. Carlos Santos makes sure our financial commitments are firmly in place and that communication and inventory programs are the most efficient for the clients and the companies he oversees.

To deliver this exemplary service, Santos International counts on its greatest assets, its employees. The best-qualified persons who can be passionate about their work are hired and encouraged to reach their highest potential. "Maintaining our reputation for excellence and providing specialized services for every one of our clients is our top priority at Santos International," says Mark Santos.

Besides traditional marketing in local, national, and international platforms, Santos International participates in many community activities. The Santos family, are or have been involved in leadership roles on various boards, such as McAllen Economic Development Corporation, Texas International Produce Association, multiple Chambers of Commerce, and Leadership McAllen. Santos International strongly believes in cross-border visits that cultivate good relations that can aid in solving commercial traffic bottlenecks that affect importers. Owners of Santos International makes it a priority to be active in legislative matters that can affect or benefit the local community and the respective industries the company serves. Jimmy Santos often says, "Legislators listen best when you present viable solutions."

International trade continues to advance, as does the growth of Santos International. Currently located just down the street from the McAllen EDC, on S. 35th St. in McAllen, Santos International will complete construction of an additional new 45,000 sq ft warehouse in March to complement the recent expansion at TransKool Solutions.

"We truly believe in our motto, You Talk; We Listen," explains Mark Santos, who believes that the growing success is due in part to the strong roots made by generations before him. "I'm grateful for those days they had us working during high school summer vacation," says Mark. "My brothers and I can now continue the legacy."

To learn more about Santos International, please visit: www.santosintl.com

To listen to the full interview please visit our website: www.mcallenedc.org/podcasts



Education Corner



Engineering, as the mechanics of our daily lives, demands continued learning and evolution. As a central force for varieties of engineering and manufacturing in the Rio Grande Valley, there is a need for continued support. So much so that the Texas Manufacturing Assistance Center (TMAC) has sustained a chapter right here in Hidalgo County since 1995. TMAC in the Rio Grande Valley is located within the University of Texas-Rio Grande Valley. Eight TMAC offices are covering various regions throughout the state of Texas: UT-Arlington (Arlington, Tx), Lamar University (Beaumont, TX), Beehive Fund (Houston, Tx), Texas A&M Engineering Extension Service - TEEEX (College Station/Houston, Tx), Southwest Research Institute (San Antonio, Tx), Texas Tech University (Lubbock, Tx), UT-El Paso (El Paso, Tx) and UTRGV in Edinburg, Tx.

As an assistance center, TMAC's mission is to deliver hands-on business management, technology, and operations solutions to a wide range of businesses, including manufacturing, distribution, logistics, construction, healthcare, and government. They provide a wide array of services that accelerate profitable growth by developing and improving profits, products, processes, technologies, and people. Focus areas include strategic management, technology, and operations.



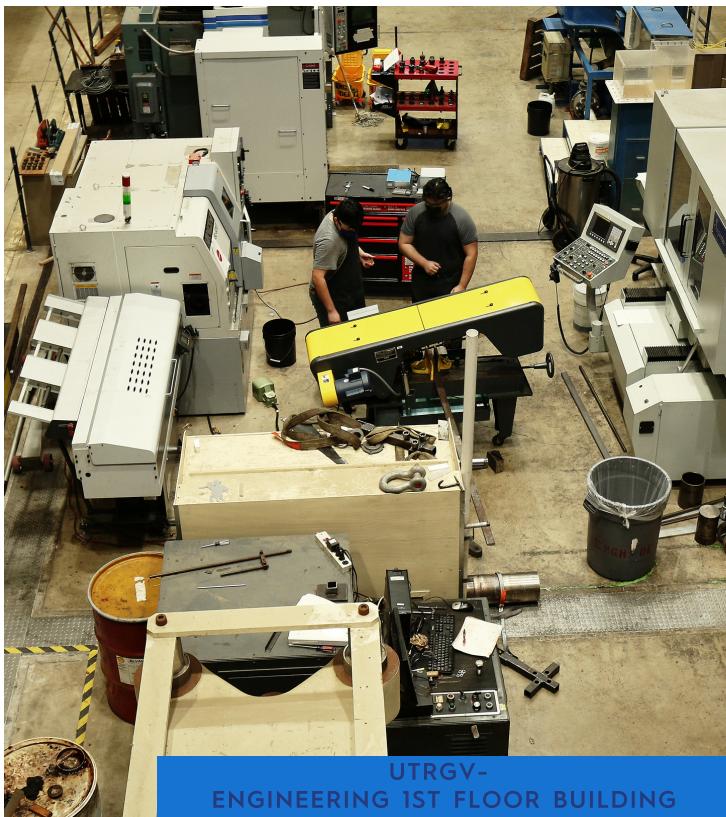
DAVID ORTIZ- INTERIM DIRECTOR
TMAC-UTRGV

TMAC at the University of Texas Rio Grande Valley is led by interim Regional Director David Ortiz, who brings a range of experience. He and his team bring expertise in Supply Chain, Smart Manufacturing, Production Systems, Purchasing, Innovation, Product Design, and Management Systems.

Their guidance supports companies of all sizes along the South Texas corridor, from Brownsville to Laredo and South of Corpus Christi. Many of the team bring expertise with international experience from maquila management from all over Mexico, creating a well-informed cultural experience.

TMAC's location is housed within the University of Texas-Rio Grande Valley which allows for a continued conversation. TMAC and the UTRGV Department of Engineering allow for collaborative efforts to support industrial trends within the region. The UTRGV Campus also allows for hands-on training availability to TMAC. Creating relationships within educational programs is also a strategy to continue its network.

[To listen to the full interview please visit our YouTube channel.](#)

UTRGV-
ENGINEERING 1ST FLOOR BUILDING

UTRGV-ENGINEERING LAB

TMAC continues to serve the community and industrial companies by serving on boards and committees and collaborating with Region One Education Center, RGV Focus, South Texas College, Texas Workforce Commission, South Texas Manufacturing Association, economic development organizations, and various cities within the Rio Grande Valley.

Funded by various sources, TMAC has set expectations and deliverables to be measured by the economic impact to each of its respective regions. TMAC's Economic Impact in Texas as a whole in 2019 increase sales by \$409 M and created or retained 5,144 jobs. TMAC's presence in the Rio Grande Valley has established itself as a resource for many companies, large and small. During 2019-2020, TMAC served 62 companies in the RGV, and clients reported over 300 jobs created and retained.

Efforts provided by the TMAC team include providing continuing education for individuals and groups alike. It all begins with a no-cost assessment, where factors are identified to help with growth and deliver efficiencies.

Following an assessment, findings are shared, and action plans with deliverables are identified. Within those deliverables are the training requirements needed to fulfill the next step in many of the projects. All of the planning efforts include results-driven outcomes.

During the last twelve months, TMAC added a layer of safety training and measurements in response to the Covid-19 pandemic. During this time many training programs were transitioned to virtual and into a series of webinars. There are continuous learning opportunities provided by TMAC. During the next several months include **March 10, 2021- Inventory** and **April 14, 2021- Capacity**. You can find more information at www.utrgv.edu/tmac.

WELCOME TO MCALLEN

KEMPER

In late January, Kemper Corporation, one of the nation's leading specialized insurers, announced plans to build a new office facility in McAllen and add 300 new jobs over the next three years. After the completion of the new building, Kemper's presence in McAllen will include three facilities and its local workforce will eventually total more than 700 employees.

The new McAllen building will be a LEED-certified, two-story, 70,000 square-foot facility located on 7.2 acres, adjacent to Kemper's existing 35,000 square-foot office at 900 E. Laurel Blvd. Construction of the new building is expected to take 22 months, with initial occupancy planned for December 2022. The facility will house claims and customer service for the company's Kemper Auto business.

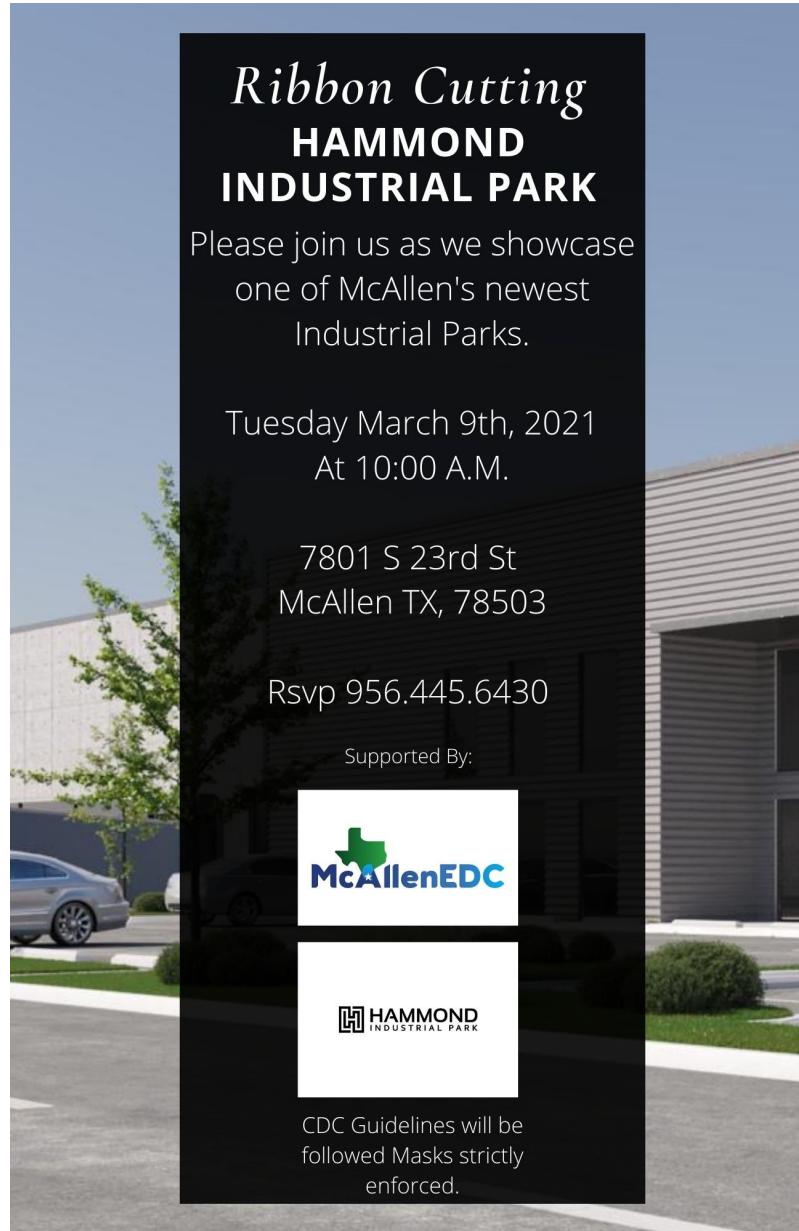
"Kemper Auto's goal to be the leading provider of specialty auto insurance is supported by robust growth plans," said Duane Sanders, President of Kemper's Property & Casualty Division. "We believe McAllen is a great community with an excellent talent pool that complements our growth strategy. Kemper is extremely proud to be part of the local economy, and this new facility and the jobs it will create are evidence of our long-term commitment to the McAllen area."

McAllen Mayor James E. Darling, said, "McAllen is very proud of our first-class workforce and we are very thankful to Kemper for its continued confidence in our City as evidenced by this new additional facility. This new 70,000 square-foot LEED certified office building will further enhance the first-class customer service provided by Kemper in McAllen. We support Kemper's continued success and look forward to celebrate the opening of this new facility."

Kemper, recently named one of the fastest growing companies in the U.S. by Fortune magazine, opened the Laurel Blvd. building in 2008, and its life insurance division operates a Kemper Life agency in the Nolana Tower Shopping Center on Nolana Street. Currently, more than 400 employees serve in its local Kemper Auto and Kemper Life operations.

About Kemper Kemper Corporation (NYSE: KMPR) is one of the nation's leading specialized insurers. With nearly \$14.1 billion in assets, Kemper is improving the world of insurance by providing affordable and easy-to-use personalized solutions to individuals, families and businesses through its Auto, Personal Insurance, Life and Health brands. Kemper serves over 6.2 million policies, is represented by more than 30,000 agents and brokers, and has over 9,500 associates dedicated to meeting the ever-changing needs of its customers.

Information about available positions, upcoming job fairs and benefits information is listed on the Kemper Careers website.



MEDC New Business YTD (Jan. 2021)

Metric	YTD	Annual Goal
New Leads	10	30
Active Projects	89	115
Capital Investment	\$13 M	\$45 M
New Sq. Ft. Committed	70,000	750,000
New Jobs Committed	300	1,000

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