The Valley is known for its tropical greenery, but the definition of Green now goes beyond lush landscaping to sustainable, ecologically-sensitive practices. Environmentally-aware Green methods are turning up in more segments of the Valley’s economy. Green is trendy, but does it make dollars and sense for businesses?

GREENING OF THE VALLEY

See page 5
Happy Holidays

from your Pharr Chamber of Commerce Family

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Think First...Think Pharr
Give me patience and I want it right now!! That’s our attitude sometimes, right? I know it is for me. Stepping back and remembering a process takes time is one of the most difficult tasks in business.

We live in an instant gratification society. It’s not that we don’t remember “good things come to those who wait.” We battle with the sales and marketing cliché, “good things come to those who wait, but only those things left over by those who hustle.” So which is it? Do we press forward like there’s no tomorrow or do we sit back and wait for something good to happen?

Answer: both. The late UCLA basketball legend, Coach John Wooden said, “Be quick but don’t hurry.” These words mean more and more to me each day. Coach Wooden had a way with teachings that reached far beyond the basketball court. His words were just as applicable to 19-year-old point guards as they are to each of us leading a business.

The balancing of being assertive and practicing patience is the challenge. As we lead our businesses toward the end of another calendar year and the fast-approaching days of another, we’re faced with business decisions about production, staffing, expenditures, etc. “Will we go into another line of products or services? Will we add an additional location in the Valley? If so, where? Do we expand our marketing budget for 2011 or do we scale back and wait for the economy to improve?”

Nerve-wracking nights of pondering these company-changing decisions face us every day. Training, instinct, formal education, years of experience and mentor advice all factor in to how we guide our companies and organizations into 2011. Let’s all remember some things will happen that are beyond our control. We can take the right steps of a perfect business plan and without fail - Murphy’s Law will kick us in the backside. Then, it may mean execute Plan B or just a revision of Plan A or no change to the original plan at all. Whichever is the case, we can only control what we can control.

We all put our hearts, minds and souls into our jobs, but we must not forget that when the ball doesn’t bounce the way we expect, pausing and setting up the offense for another play may be the best strategy. As in basketball, we can hustle without hurrying. We can let a qualified teammate take the lead on a certain project and whenever the entire staff is working toward a common goal, most times good things happen. Teamwork, synergy and attitude all factor in to what will happen when we put on our outfit and step onto the court.

As long as we remember, one game doesn’t make or break an entire season. It’s a process. All good things take time. Don’t rush it but make it happen.

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Philosophy
We are a pro-business publication committed to reporting business news concerning the Rio Grande Valley’s business community. We will strive to create a forum in which business leaders can exchange ideas and information; to providing in-depth perspectives on business trends affecting the community’s economy. Our goal is to serve the interests of economic development in the Rio Grande Valley.

Our editorial philosophy is to cover local business news and to bring you relevant state, national, and international news that affects our region. Look for links on our Web Site at www.valleybusinessreport.com to business news and stories pertaining to the RGV from across the country, plus local everyday events and business news. Our print publication will present stories of interest about local business people, businesses, and issues of interest pertaining to our area.

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By Eileen Mattei

Going Green by applying energy and resource-saving practices is becoming more common in the Valley. The lean, Green mantra of reduce, reuse and recycle has infiltrated schools and is permeating businesses, homes and malls. Three major segments of the Valley economy – construction, recycling and retail products – are showing the impact of the Green viewpoint and philosophy.

Green is a marketing tool, of course, but it often represents a business asset, too, a technologically-improved method of getting the job done.

THE BUILT ENVIRONMENT

Green houses and buildings are beginning to transform the market. More architects and builders are applying technology to integrate all of a building’s systems, to lower its energy costs and to use resources wisely.

The term LEED (Leadership for Energy and Environmental Design) is a national benchmark for green buildings. The point-based LEED system evaluates a building’s performance in five areas: site design, water efficiency, energy efficiency, material selection and indoor air quality. The goal is an environmentally-compatible building with a healthy atmosphere. LEED certification with its mandated document trail adds to a building’s cost, even beyond the costs of green construction methods. Nevertheless, certified LEED spaces have been able to charge higher rents nationally and have had higher occupancy rates. Locally, a handful of architects, engineers and contractors have gone LEED and Green and discovered that Green is no longer a hard sell despite the increased initial costs. A construction investment of two percent extra in green technology can yield more than 10 times the investment over the building’s life.

Architect John Pearcy, a certified LEED-Professional with Megamorphosis Architecture & Interior Design, explained that the firm applies green sustainable principles that make every project energy efficient and cost effective. “We do green architecture all the time, but not all are LEED certified. Many business owners we deal with don’t need LEED certification.”

The AOC headquarters built in Harlingen last year is a good Green example, Pearcy said. The architects specified additional roof insulation which allowed a reduction of the air conditioning equipment and duct work. “The savings in mechanical systems alone covered the cost of the roof insulation upgrade,”

How Green is my Valley?

Builder Mary Ramirez, who heads Chris Ryan Homes, has found that customers seek out firms using Green building method. (Mattei)
Valley Business Report  •  November 2010

he explained. The building’s low monthly electrical bills reflect the improved insulation and the use of ‘daylighting’, windows placed high to bring in natural light and reduce the need for artificial lighting.

The new Su Clinica Famililar in Brownsville and TSTC’s University Center under construction will both be LEED buildings. While federal, state and university construction specifications are in part driving LEED building in the Valley, contractors know that Green, energy-efficient building codes are in the pipeline. New LEED guidelines will require buildings to prove they meet energy and water consumption standards.

A Green structure’s interior reflects new options, according to architect Meg Jorn. “People are aware that the materials used affect air quality and ask about carpet and wall composition and different paints. We see less raw materials being used. Beautiful glass tiles are made from recycled glass material.”

“People come looking for EnergyStar homes,” said builder Mary L. Ramirez, owner of Chris Ryan Homes. “That is our selling point, and it really benefits us.” Ramirez began building green homes 15 years ago out of personal commitment to Green principles.

The proposed offshore wind farm (see page 19) is one of several Green projects that go beyond standard buildings. Another is LaFeria’s constructed wetlands on south Rabb Road, which is a successful year-old pilot program that simultaneously treats sewer effluent and serves as a bird refuge.

The ancient business of recycling has gained respectability and new practitioners. Once an under-appreciated segment of the economy, recycling retains the spirit if not the reality of the Great Depression when flour sacks had a second life as dresses or curtains. Major recyclers include Esco Marine in Brownsville which takes apart decommissioned ships and sends thousands of railcars loaded with 80 tons of scrap metals to Mexico smelters for re-use. Between 92 and 96 percent of a ship is recycled –from oil to nautical antiques and fixtures. Owner Richard Jaross believes every recyclable aluminum can, car and ship presents a renewable resource to put back to work for future generations. The Wilkinson scrap metal yards in McAllen and Brownsville have gone high tech and use a multi-million dollar car recycler. From re-upholstering an old couch to shopping at used car dealers, consignment shops and thrift stores, re-using now carries less of a stigma and can be a point of pride.

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**Recycling becomes respectable**

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**Save money, resources**

- Turn off computers at night instead of letting them ‘sleep.’ Save $14 annually per computer.
- Use both sides of the paper in home printers
- In McAllen, use the city’s cardboard and paper recycling bins to reduce trash volume. This can cut a business’ garbage bill by enabling a switch to a smaller bin or less frequent pickups
GREEN PRACTICES, GREEN PRODUCTS

Highly visible little wind turbines sit atop a new office plaza on N. Stuart Place Road in Harlingen. The turbines, which produce and send energy to the grid, work in combination with ICF (insulating concrete construction), solar panels, solar water heaters, and exterior LED lights to keep power bills. “The single month electric bill for the 2,000 square foot space is $35. The return on investment is six- and-a-half years,” said engineer Alex Pena, of Atlantis Solar. With Green retrofits, Thomae-Garza Funeral Home in San Benito dropped its power bill from $3,000 to $700.

McAllen’s annual Green Living Festival gives green companies and services exposure to hundreds of individuals interested in going green. Falling Water at Bentsen Lakes offers a Green Home Checklist and green homes. Environmental Energy Improvements is ready to install radiant barrier reflective foil or perform certified home energy audits and make duct repairs. South Texas Renewable Energy handles home wind turbines that can sit as low as 45 feet. Innovative Block sells recycled concrete blocks and has tapped into another way to appeal to that market. “It makes sense to be as green as possible. Business travelers as well as leisure travelers want to stay at green hotels, eat organic food and visit cities that make an effort to conserve resources,” said Nancy Millar, McAllen CVB director.

UTB/TSC’s ITEC Center has the Go Green Assistance Center that provides resources and information on lowering energy costs for both for consumers and contractors. Samples of tankless water heaters, energy efficient bulbs and appliances, wall construction and insulation prompt changes to Green. The center hosts trainings on weatherization for contractors and city employees and participates in outreach to local schools. “We’re seeing that more of our incubator companies have a green tinge to them,” said John Sossi, ITEC director. ITEC expects to have solar panels and a wind turbine operational in 2011, offsetting up to 10 percent of its energy costs. UTPA has a new Office of Sustainability, which encourages students in environmental fields of studies and provides outreach.

Green, you know, is the color of money.
Port of Brownsville Moves Regional Products into the Global Marketplace

By Eileen Mattei

The Port of Brownsville has the largest land area of any U.S. port: over 40,000 developable acres. In mid-October, the Port was so busy that large freighters could be seen anchored off South Padre for hours waiting for dock space to unload. In 2009, about five million tons of cargo passed through those docks.

The Port of Brownsville is remarkable for keeping a low profile locally despite its importance to regional and international trade. It is ranked the third largest U.S. port in tons of steel imports and exports handled. The deepwater seaport operates in many ways as a port in Texas serving Mexico. It is also the western terminus of the Gulf Intracoastal Waterway and brings in a majority of the region’s gasoline and diesel. The Short Seas barge route from Brownsville to Florida keeps thousands of trucks off the roads. The Port has two tenants that are the only two U.S Navy certified shipbreakers in the world: Esco Marine and International Shipbreaking Limited. It has its own short line railroad, the Brownsville Rio Grande with 43 miles of track and 10 locomotives. The overweight corridor, unique to the Port of Brownsville, allows trucks to load at 1.5 times the U.S. limit for the brief transit to Mexico. Truly intermodal, the port connects ocean-going cargo and barges with rail and truck routes to Mexico and U.S., oil and gas pipelines, and the nearby Brownsville/South Padre International Airport.

Opened in 1936, the port sits at the end of the 17-mile long Brownsville Ship Channel which connects to the Gulf of Mexico at the Brazos Santiago Pass. Over 250 companies operate within its boundaries: manufacturers, petroleum storage groups, metal recyclers, stevedoring companies, public grain elevators, tugboat operators. AmFELS, the largest tenant, employs about 1,200 of the total 8,000 workers on port property. The newest tenant is Simms Metal, which is the world’s largest scrap metal dealer and based in Australia.

The port’s extensive cargo facilities include 17 primarily deep draft cargo docks, sorted into bulk or dry cargo, liquid cargo, and barge docks. One side of the channel is set aside for liquid cargo where tanks,
color-coded by tenant, have a total storage capacity over 3.4 million barrels. Transit warehouses and sheds adjacent to vessel berths are designed for ease of loading trucks and rail cars. Because of the weight of the cargo, each dock patio costs about $60,000 per acre to build.

“Steel is our major commodity at the port,” Deputy Port Director Donna Eymard said. “Most of the steel goes into consumer goods.” A single customer transited over 1 million tons last year when the economy was depressed. In the dockside warehouses, giant coils of high-grade steel stretch into the distance, waiting to be loaded into specialized round-bottomed rail cars. US Steel ships metal to the Port enroute to the Chrysler plant in Saltillo. The tonnage of massive steel slabs arriving from Brazil and China has increased thanks to a new heavy duty dock and the 110-ton crane which the Port owns and operates.

**Tenants**

At International Shipbreaking, the smell of burning metal hangs in the air as the decommissioned Navy assault-carrier Saipan is cut down for recycling. A huge loader drags a thick metal slab from the once proud ship to the cutting pad. Bob Berry, Chief Operating Officer, said the company gained US Navy certification based on its safety and environmental compliance and technical skills in responsibly recycling. “The biggest part of what we do is handling environmental problems.” Averaging 250 employees, the shipbreaker is due to bump up that number with the arrival of a naval cruiser to its last port.

The Brownsville Rio Grande Railroad, established in 1984 as a port subsidiary, moves over 3,000 rail cars per month for clients, according to Norma Torres, president/COO. The short line railroad distributes rail cars belonging to Union Pacific to port clients. Once they are loaded, BRG takes the cars to the Union Pacific switching yard in Olmito.

Incoming vessels are allotted storage time at the docks and sheds based on the volume of cargo they unload. Other commodities transiting through include orange juice concentrate, decorative tiles, bulk grain, fertilizer, limestone, and electrical poles. Foreign Trade Zone 62 occupies 2,000 acres and enables maquilas to use port warehouses as just-in-time staging areas.

**Changes for Security**

At the head of the Turning Basin, the Harbormaster’s Office functions like an air traffic controllers’ tower, handling all the traffic in the shipping channel. Prior to September 11, people used to come to the Port of Brownsville to fish and picnic on the docks next to the Harbormaster’s.

Since then, millions have been invested in port security and safety, according to George Gavito, Chief of Police at the port. Access is restricted and security goes beyond cameras and detection equipment. The Port of Brownsville along with the Ports of Los Angeles, New York and New Jersey took part in a federal pilot program to issue holographic identification cards to every worker at the port. Brownsville was the first to implement the program and now is the model for other ports, Gavito said. While Brownsville is not a huge port, the fact that it sits on the Mexican border and has hundreds of trucks passing through it every day warrants extra attention and security measures.

With danger heightened by terrorists, cartel pirates, and “the war in our backyard,” Gavito is adamant about Port security. He works closely with the Coast Guard which is responsible for the waterways, US Customs, ICE, FBI, Border Patrol, General Land Office and Mexican authorities.

“We’re not going to let them do that: stop commerce (as happened after 9/11),” Gavito said. Better controls are in place on everyone who enters the port area and there’s greater vigilance. A new main entrance is under construction, another part of the Port of Brownsville brighter, busier future.
Healthy and Happy -
THE BUSINESS OF AGING, Part II

By Eileen Mattei

The years spent in retirement stretch in the future much farther than they used to. Life spans are increasing with today’s “above average” 65-year-old anticipating reaching the century mark, far exceeding the 20 year “average.” Once seniors have determined where they will live—aging in place or choosing a retirement home—the pleasant chore is figuring how to fill retirement hours. The unpleasant task is dealing with health issues.

The Good Days

Good genes and working at staying healthy and active—engaged in living—may be the best insurance against spending most of one’s senior years dealing with health problems.

Golf and retirement are practically synonymous. At least 32 public and private golf courses from the Club at Cimarron and Tierra Santa to the Fort Brown Memorial Golf Course entertain enthusiasts on a daily basis. Sports once associated with youth are seeing a gray resurgence. Around 40 percent of Bicycle World’s customers are in the 50, 60 and older group, according to David Govea. “They want to maintain their health but their knees can’t take running anymore. Now women from spinning classes are deciding to get on road bikes.” Fishing is another retirement dream which draws seniors by the boatload to the Laguna Madre. At Jim’s Pier in the winter, about 45 percent of the people boarding bay fishing boats are well over 50, said George Flores.

Across the Valley, restaurants, theaters and retail stores are bringing in new and loyal customers with senior specials on slow days or at slow times.

To stretch their enjoyment of retirement, people rely on wealth management companies and other financial advisors. Financially secure, they can afford to travel and pursue interests such as birding, motorcycling, gardening and also volunteer at schools, hospitals and parks.

Retirement is not satisfying for everyone. After a short time spent golfing or fishing every day, some individuals seek an intellectual challenge. Bob Ross sold his business and retired to Harlingen, golfed for a few weeks, and then started a company that manufactures generator parts and developed an electric-powered school bus. Verne Wheelwright sold his international paper supply company, got a PH.D in Futures, wrote the book “It’s Your Future” and now lectures in his field internationally.

Health Care for the Ages

ObamaCare as written has the potential of disrupting the healthcare system as we know it. Mandated changes affect not only the seniors navigating the quagmire of new regulations and restrictions, but also the businesses that serve them. Those companies are in a holding pattern, waiting for elections, amendments and the impact of not-yet-written
regulations. The future is a question mark for the region's numerous home health agencies, nursing homes, pharmacies, laboratories, durable medical equipment firms, billing agencies, non-profit and for-profit hospitals and health plans, such as Harlingen's United Healthcare Group's Ovations program which serves seniors.

The Texas Controller’s office reported that the healthcare sector has accounted for 22 percent of employment in the Brownsville-Harlingen MSA and 21 percent in the McAllen-Mission-Edinburg MSA with those numbers projected to rise. Statewide, healthcare accounts for only 12 percent of jobs. Of course, healthcare-related spending is not solely dedicated to caring for the aging population, but the majority of prescriptions and hospitalizations are for seniors. About one quarter of Medicare annual costs go to patients in their final year of life, and 40 percent of that is applied to the last month, according to the Journal of American Geriatric Studies.

By 2050, the US will have 72 million people over 65, double today's aged population. The healthcare sector continues to expand in the Valley with the newly created Veterans Administration Texas Valley Coastal Bend System opening its 120,000 square foot VA Ambulatory Surgery & Specialty Outpatient Center in Harlingen in January 2011. The VA facility already has contracts with regional hospitals to provide in-patient care, which with local specialty care is expected to reduce veterans' trips to San Antonio for medical care by 95 percent. In addition, the University of Texas’s Regional Academic Health Center, which trains third and fourth year medical students, is scheduled to expand into the new UT- Medical School-South Texas in the next 10 years.

Meanwhile the growing field of palliative care reflects a shift in medical care that focuses on comfort rather than attainable cures for terminal illnesses. Elva Munoz, marketing director at Retama Manor, a skilled nursing facility, said long-term chronic care patients stay approximately three to four years and range from 65 to 100 years old. Retama's employees range from RNs, administrators, therapists and CNAs to housekeepers, drivers and cooks.

Last year's *New Yorker* article “The Cost Conundrum” noted that McAllen is one of the most expensive health care markets in the U.S: “Medicare spent $15,000 per enrollee, almost twice the national average” in 2006. In contrast in El Paso, with the same population characteristics, Medicare paid out $7,500 per person.

The disparity is laid to overutilization of medical care from more diagnostic testing to more surgery, more pacemakers and home care. That has bumped regional healthcare costs above the national Cost of Living numbers, the only such sector in the inexpensive Valley.

As Baby Boomers retire, they will join their elders in pursuit of retirement dreams. With disposable income and - finally! - the time to chase rainbows, big fish and 1001 activities, tomorrow’s seniors will be putting new demands on businesses for products and services to satisfy their needs.
Mexican Entrepreneurs Buying Real Estate in the Valley

By Michael J. Blum & M. Yael Mendez

Foreign investment in a U.S. business is a lawful path to immigration security.

As the exodus of wealthy Mexican families continues to Texas, a revived investment option with the promise of U.S. residency and a path to U.S. citizenship suddenly has become a leading topic of conversation in Mexico.

Throughout the Rio Grande Valley, financial institutions, real estate brokers, attorneys, and CPAs are exploring means and methods to take advantage of new opportunities. One such opportunity is the high net worth of Mexican entrepreneurs who have capital and are prepared to deploy it.

There are several provisions of U.S. federal immigration law which foster economic development and, particularly, investment by foreign nationals. In the Valley’s case, high net worth Mexican entrepreneurs who want to make substantial investments in the U.S. may qualify for various levels of legal status if they follow the rules and make the investments. A five hundred thousand ($500,000) investment is usually the general threshold and creation of 5-10 permanent jobs is another. This program is called EB-5. If the business plan for the pooled investments is approved by the U.S. Citizenship and Immigrations Services agency, the investors and their families can qualify for conditional U.S. residency in exchange for putting their money at risk.

Once an investor can prove the investment created or preserved 10 U.S. jobs for two years, conditional residency status becomes permanent.

EB-5 is the new “catch phrase” in Mexico, said Houston immigration lawyer John Meyer of the FosterQuan law firm. EB-5 regional centers are popping up in Texas almost like sunflowers in summer. Houston and Dallas have designated regional centers and are signing up investors for projects that otherwise would have trouble finding bank financing. Proposed regional centers in San Antonio and the Rio Grande Valley (McAllen for sure) expect federal designations within weeks, if not days.

There is pending legislation, The Start-up Visa Act of 2010 (S 3029), that focuses on EB-5 reform. If adopted it will create a new EB-6 category for immigrant entrepreneurs. What this means for the Valley is that Mexican entrepreneurs who are looking for safe, secure and manageable investments have a pathway to bring the power of their expertise, experience and resources into our market, creating jobs, stimulating the economy and securing a safe haven for themselves and their families.

The immediate impact of these and other programs has been the purchase of homes in the Valley as noted by many residential real estate brokerage companies. Leasing of office space and intense shopping for strategic investments has been on the up swing. Many are looking to acquire existing Valley business which benefits the local business owners who are looking for an exit strategy of their own.

We can choose to be good neighbors and in the process fulfill the promise of growth that prior to the recession seemed inevitable. Now more developments and projects are stalled due to lack of financing or direct equity participation. Mexico’s private sector, as the business groups are collectively called, have driven Mexico forward and developed trade and business partnerships with more countries than any other country despite the odds against their success.

As a company, we work strategically with business networks that introduce us to customers who have been profiled through the U.S. Citizen and Immigration service during their attainment of a U.S. Visa and have successfully completed a validated and existing local bank relationship. At Lone Star National Bank’s International Private Banking, customer service has attracted high net worth costumers that prefer the treatment of a private client.

If you have clientele that may have an interest in making strategic investments in the Valley or elsewhere, there are expert international professional teams in place that are poised to provide a full range of assistance in a safe and confidential manner.

Michael J. Blum is Partner and Managing Broker for NAI Rio Grande Valley, a member of NAI Global, the largest network of commercial real estate brokers worldwide, 956-994-8900. M. Yael Mendez is VP-Private Banking/Wealth Mgt Div. Lone Star Bank 956-984-2880.
Real estate managers for five sought-after retailers answered tough questions at the first Texas Border International Council of Shopping Centers (ICSC) forum held in McAllen. Realtors and economic developers attended the event eager to hear where Tuesday Morning Inc., Sally Beauty Holdings, Panda Express, CVS Pharmacy and Cinemark Corp. are considering new stores or expansions along the Texas-Mexico border. The ICSC speakers talked about their companies’ strategies, expansion plans and overall market trends. Dozens of cities want to offer the retailers a location.

Alice Seale of Seale Realty Advisors of Dallas, who organized the event, moderated the Texas Border ICSC panel discussion. “The questions were not fluff,” she said later. “They were direct and brought out the information that people needed to have to do business with these retailers.”

The five panelists readily responded to questions on site specifications and adjacent stores, demographic factors, elapsed time from contract to store opening, the number of projected new stores and contact data. The requirements varied substantially: some preferred to lease, others to own. Some insisted on visibility from the main road, while for others it was more important to be located next to certain stores.

Most made statements similar to that by Jaime Green of Panda Express: “The Valley and the rest of the border are integral in achieving growth. We’re here to open more stores.” That was music to the ears of realtors and developers who had come from Brownsville, El Paso and points in between to explore opportunities.

Bruce Robinson of Sally Beauty said the company has shifted from looking at the population within a three mile radius to putting more weight on the drive time of 12 to 18 minutes to the prospective store. “We look at salon counts, even though we sell a lot of products to salons. We’re looking for people who are looking for discounts. We know our business model. We know what works. It’s kept us on a slow steady growth track.” He said the stores need space to pull a 52-foot trailer in back. “Do your homework first,” then contact him, Robinson recommended.

“Density is our most important factor and also the age of the population,” said Jamie Green of Panda Express. “The higher income neighborhood is not our customer.” The Chinese fast food restaurant wants its location to be visible from the main road and have an anchor store nearby but no other Chinese eateries. The stores nationwide average $1.1 million in sales.

Tuesday Morning pursues a different population. “We home in on the white-collar customer,” said Cory Bird, Director of Real Estate, specifically neighborhoods with a high percentage of college graduates. Areas with retirement homes and second homes along with community-oriented...
shopping centers have proven successful for Tuesday Morning, he said. The stores, which ideally locate near craft or pet shops, typically expand their footprint or relocate as the customer base increases.

“It’s all about merchandising for us. In a smaller market, the stores are little larger to be noticed and draw from a wider area,” Bird added. “We are willing to get creative, looking at gross occupancy costs.” A major impediment can be non-competitive agreements that existing tenants may have.

Cinemark complexes prefer to be free standing and near a grocery store, according to Steven Kauzlaric. He receives about 50 inquiries weekly and the more detailed submissions that include Google maps get more attention. The theater sites must have excellent traffic access. “The easier you are on us, the faster we get in the ground.”

The ICSC event offered speed dating opportunities, too. Each of the retailer representatives met attendees briefly in one-on-one sessions, exchanging business cards and clarifying points.

“That ICSC is meeting here is a big deal for the Valley. It proves the Valley is getting a little more recognition from retailers as a viable market,” said Seale, who has worked in the region over the last four years. Developers and realtors received insights on how retailers from the rest of the country see the Texas border market, she added. “This is about developing new business for everyone - for the retailer, for the city and for the local community.”
HOW TO PLAN THE PARTY OF THE SEASON

By Paige Flinn

You may have been appointed “Decorations chairperson.” taken the job by default, or even be very excited about the event, but all of a sudden, reality sets in. You have a limited amount of money. The questions arise:

How am I going to pay for everything I want to accomplish?
If I can't pay for everything, how am I going to prioritize?

Remind yourself that virtually no one has unlimited financial resources. Furthermore, ingenuity and creativity abound when we are pressed. There is a reason I use the phrase “necessity is the mother of invention.”

To begin, do not try to do every wonderful thing you have ever seen. Often, too many concepts make for an event that is not cohesive. Allow yourself the liberty to edit out “great ideas” that do not strictly apply to your theme. When you can let go, realizing there will be future events where those ideas can be used, you can more fully develop your remaining objectives.

It may be difficult to leave some ideas behind, and that is where you may want to employ the help of a trusted confidant. I find that artistic friends with no emotional attachment to, or prior knowledge of, the event can tell you what seems extraneous to them. This is the same type of response you will have to some ideas that are suggested to you by well-intentioned helpers.

You know which concepts do not pass the test, and the earlier you can pare down to the truly important, the better.

Once you have made a commitment to tighten up your goals, you will need to decide how you will bring your remaining concepts to reality. Put the word out to anyone and everyone you know that you need decoration donations relating to your theme. People are generally eager to loan items that they may be storing from previous events. And although you will have to look at the offerings with a critical eye (remember… you can’t use everything that is “wonderful”), you may come across some real gems. With a compelling campaign, I was able to borrow cowhide rugs to use as table toppers for a ranch party.

Additionally, consider “found” objects when decorating. Branches with twinkle lights make ethereal additions to night parties. That being said, oversized cut pieces of tree trunks made amazing bases to ranch still-life centerpieces that included greenery cut out of the yard and moss from a local craft store. We used our imaginations in advance and did samples of these centerpieces to make sure we could accomplish our vision, but the cost was minimal.

The next step is deciding where your BIG SPLASH will be. When you can not decorate every area exquisitely, choose one area that will draw the eye and interest of all attendees. This could be your stage, your entrance, or another structure, such as an indoor tent used for desserts or a bar. Embellishments for this area are a must. Use color, florals, lighting and decorations to make that area a show stopper. For the above mentioned ranch party, we created a galvanized roofed shed that sat in the middle of the large cavernous room and held the bar. The shed was not only large and noticeable, but it broke up the space and made the event area more interesting.

Finally, do not divide the rest of your budget equally among every other area. A bandaid doesn't cover a head wound. You may have to decide to use bright colored cloths to complete your theme and skip centerpieces. I have had to turn down the lights to hide the unimpressive walls and use lots of candles to illuminate center spaces when covering the walls was cost prohibitive. Just know that tiny decorations in a large area get lost.

In summary, whether your event is a private or public function, handling your challenges head on by making tough decisions up front is the best way to begin. Then you will be able to really focus your creativity on a few drop dead gorgeous elements that will brand your party. Leave minutia behind. Work smarter, not harder. Do more on fewer elements, and you are well on your way to being a top notch party decorator!

Paige Flinn is a co-owner of Phillips/Flinn Corporate Gifts and Events with her mother, Ann Phillips. They can be reached at 956-412-7979 or at www.phillipsflinn.com.
**GIVE CREATIVE CORPORATE HOLIDAY GIFTS**

By Eileen Mattei

It’s already time to decide on the gifts your business will give to valued customers, loyal employees and exceptional suppliers. Even with the recession trickling down to the Valley, most businesses are hanging on—thanks to those customers, employees and suppliers. Gifts don’t have to be extravagant, just thoughtful.

“If you are going to put some money into a holiday gift, give them something they won’t get elsewhere,” said Guy Huddleston, recalling his days as head of Southern Texas Title, now part of Edwards Abstract and Title Co. “Look for something to set yourself apart from run-of-the-mill gifts like turkeys.”

The most acclaimed of Southern Texas Title’s Christmas gifts was the CD titled “Christmas at the Mission,” a collection of acoustic guitar holiday music with a Latin flavor. “It ended up all over the state,” Huddleston recalled. “One of our customers ordered them for all of their customers the next year.” The title company began sending signed, numbered lithographs as Christmas cards in the 1980s and got a reputation for going beyond the ordinary.

How about gift certificates for a cruise? The Brownsville Ship Channel cruise run by American Diving leaves from the Sea Ranch Pier and provides more unusual experiences than the usual dolphin watch. The four hour cruise takes you by the towering ocean-going oil rigs under construction at AmFELS-close enough to see the welding sparks flying. You pass the active shrimpers and the ghostly abandoned trawlers in the Shrimp Basin, and circle between the astounding shipbreakers as they cut now derelict freighters and naval vessels into scrap. The trip also takes you past South Bay and plenty of dolphins and through the swing bridge at Port Isabel. Adult beverages are available on board.

Gift certificates for sunset cruises, snorkeling trips and eco-cruises bring more memorable moments, thanks to your generosity.

The championship-winning Vipers, the NBA Development League team for the Houston Rockets, start their season on November 18 at State Farm Arena. With a pair of tickets beginning at $10 and running to $50 for 2 seats in the “waited” section (with beverage and snack service), gift certificates for Vipers’ games are affordable. The recipient chooses the date. Tickets to Killer Bees ice hockey game at State Farm Arena are a crowd-pleasing alternative.

For customers outside the region, nothing says Rio Grande Valley like fragrant premium Ruby Red grapefruit from a gift fruit shipper. Thanks to the rains, this year’s fruit is beautiful and extra sweet, according to Crockett Farms, one of the gift shippers that offers easy online and phone ordering. Boxes range from the six-pack to a bushel of 36-40 fruits. I’ve had people call to thank me for their grapefruit package and ask if they could get more, telling me, “They were so wonderful we ate them all already!”
Thompson Rio Pride in Weslaco, Reed Lang in Rio Hondo, and Pittman & Davis are other regional gift fruit shippers.

Keep your business friends informed and entertained with a one year subscription to Valley Business Report, only $24.00; The Wall Street Journal subscription has just gone up to $440/year. Two best-selling business books are “StrengthsFinder 2.0” (strategies for applying your talents) and “Networking is a Contact Sport.” A one-year subscription to Texas Parks & Wildlife magazine is less than $20.

Single memberships to Gladys Porter Zoo are $45 and family memberships are $65. You can “adopt” an animal in someone’s name for $25 to $50. Museum memberships providing free admittance are available at the Museum of South Texas History, IMAS, Harlingen Arts & Heritage Museum and the Brownsville Heritage Complex. Consider the Texas State Park Pass or a gift card from Cinemark.

In the spirit of the season, you also have several options. In your recipient’s name, you can make a donation to a non-partisan charity such as Save the Children, Wounded Warrior.org, Support Our Troops, Food Bank of the RGV, or American Heart Association.

Choose a thoughtful gift you are happy to give and would be happy to receive.

FYI: American Divers - 761-4243;
Crockett Farms - 412-1747;
“People in the Valley are not familiar with the term life coach,” said Kathy Payton. That has presented challenges for Payton and her business partner Deborah Cortez as they work to build Aspire Consulting Group which provides business and career coaching.

“The coaching relationship forces you to stop, look and set a direction,” Payton explained. “People are concerned are about having lost sight of their dream, their passion. Our key function is to ask the hard questions and to uncover the issues to address.”

Besides working with individuals, Payton and Cortez have also coached business owners and business executives who realized their need to re-evaluate what is important to them professionally and personally. “People arrive at a crossroads where they are not happy with what they are doing,” Payton said. One client was the owner of a successful business who no longer enjoyed the work and wondered if selling would be a good move. Others wanted coaching on dealing with changing office dynamics and ethics, stressful jobs and following a long-suppressed interest.

Cortez describes life coaches as ethical agents of change working for a desirable outcome. “The coach challenges the client to think deeply and re-evaluate what is important. The clients who have the desire to move forward come up with their own action plan and solutions. We coach our clients from where they are to where they want to go. They have to work to follow their plans which take them to their goals. There is no magic pill or single answer.” Goals have included better life-work balances, starting a long-dreamed-of business and fitting into new leadership roles.

Five years ago, Payton, who had been a Mary Kay director and Cortez, an R. N., met and immediately bonded. “We committed ourselves to spend the time and money to train under the best life coaches. This is our passion. We complement each other,” Cortez said.

They use recognized life coaching techniques and tools, such as interest assessments, to help clients articulate their goals and dreams and overcome obstacles. After each of the standard 8 to 12 sessions, clients are expected to do their homework, which usually consists of exercises that keep them thinking about where their path is taking them or could take them.

“It’s not about the destination. It’s the journey,” Payton said. “People come to us because their life is changing, such as when they move into a different job. We all have bumps in the road and obstacles. Those times are opportunities to learn. They make us who we are today. Everything is about doing the best they can with what they have.”

The coaches meet clients in Payton’s quiet office, at the client’s office or in coffee shops, wherever and whenever it suits the client. Some people are not ready for a change, a fact that is revealed in the initial session. Cortez and Payton admitted that they coach each other. “We bounce ideas off each other I don’t think I would have done this on my own,” Payton said.

Aspire offers introductory stress management classes free to businesses. It also conducts strategic planning sessions for small businesses. For more information, contact 956-245-3433.
A 19,800 acre tract offshore of Cameron County is part of the largest American offshore wind concession which Baryonyx Corp acquired from the General Land Office in the last year. To date, the U.S. has no operating offshore wind farm. No dollar figure has yet been assigned to the ambitious project of the Austin-based company which is scheduled to begin installing 150 massive wind turbines within the next five years.

“The full development of Baryonyx’s projects would have a major economic impact on the Texas Gulf Coast Region. It is too early to guesstimate the economic impact until we are a little further down the line,” said Corinne Davis, Baryonyx vice president, Development Planning. “It depends on the location of fabrication companies, equipment suppliers and operation bases.”

The proposed wind farm known as the Rio Grande Project is sited 34 miles northeast of Brownsville in Texas state waters that range from 55 to 88 feet in depth. The tract is 4.25 to 10.3 miles off shore, to the northeast of South Padre Island. The Rio Grande site could install up to 150 of the 5- to 7-megawatt wind turbines and produce up to 1 gigawatts, according to Davis. Baryonyx’s principals have a solid European track record with wind farms. Davis and Baryonyx Chief Operating Officer Roy Phillips helped develop the UK’s largest offshore wind farm known as the Ormonde Offshore Project. Still under construction, the field of 5-megawatt turbines has been purchased by the Swedish national utility company Vatterfall.

The Rio Grande project is in the midst of its two-year predevelopment phase while the company carries out environmental and engineering assessments. Then it will shift to fabrication and installation of the massive turbines. Davis said Baryonyx expects to “put something in the sea bed in four to five years’ time.” The project would roll out in phases of 50 to 80 turbines per year once started. Meanwhile, offshore wind turbine technologies continue to advance.

“A large portion of the fabrication would take place in Cameron County and along the Gulf Coast,” Davis said. Regional firms, such as AmFels, are skilled at fabricating large marine structures for oil rigs that include the jack up structures used by the offshore turbines. She noted that existing offshore crews could be used for the installation of the widespread turbines.

An operations center for turbine service vessels will be opened, certainly in Cameron County, Davis said. Yet the apparent largest long term employment impact will occur once the wind energy is transmitted to shore through third party lines to Cameron County energy and data centers. Baryonyx CEO Ian Hatton in a press release noted that the “relentless increase in demand for energy” has been accompanied by an increase in larger search engines to support web-based activities. Web-delivered services, he said, accounted for over 1.5 percent of global energy demand.

Baryonyx has proposed a ‘Tier 4’ data-center powered by wind energy in combination with other low-carbon energy production and storage technologies, which could be located in Cameron County. The company intends to become a leading provider of renewable energy and of on-line data storage and computational services.
Hector Cantu wanted to learn how to keep one bad customer from negatively influencing his interactions with other customers the rest of the day. The sales rep at Mueller Steel Buildings knew the value of retaining existing customers. Cantu, an easy-going professional, expected to improve his customer skills by attending the Bill Drury seminar on “Passion for Service” presented by the Harlingen Chamber of Commerce and also by the McAllen Chamber.

“A five percent increase in customer loyalty can increase long term profitability” by huge amounts, Drury said. While salespeople love the thrill of landing a new customer, getting existing customers to return to buy a greater variety of products is more cost effective. “When you refocus on the customer, you are making the right choice for tough times,” he added.

A survey of 20,000 customers revealed that the top thing which soured them on a business was a bad attitude, a perceived or actual indifference. A unsatisfactory interaction was cited by 68% customers for not continuing to deal with a business. On the other hand, research has shown that customers come back because they received helpful service. The absolute basics of service excellence are a sense of humor and warmth with a smile, Drury said. Thoughtful things you do for a customer are very powerful in keeping their loyalty. Little touches of kindness such as follow-up calls go a long way.

People talk about the way they are treated, both with instances of great, individualized service and the disasters. What has changed in the last decade is how fast good and bad comments travel. “Word of mouth has become the dominant form of advertising,” Drury said, pointing to Facebook, LinkedIn and Twitter. “What we believe is what other consumers say.” Attendees at the seminar, when asked to describe their favorite businesses, talked about being greeted by name and taken care of while their questions were answered courteously and knowledgeably. The bad ones: “They didn’t care I was spending money with them.”

Customers buy both solutions to a problem and good feelings. In many service businesses, the product is identical with the competitors’. By communicating respect and warmth in the tone of voice, body language and actions, employees of successful businesses develop and sustain relationships with the writers of their paychecks.

Drury went through real life scenarios about retaining customers when there was a foul-up. The two essential conflict management skills needed to manage an irate customer are self-control and listening. Don’t get into a power struggle, Drury warned. You can turn around an irate person, he promised.

First of all, it is critical to listen. “Let the volcano erupt. Let them vent. Zip your lip. Don’t argue or interrupt them.” Then, when it is your turn, empathize in a big way and say you understand. “It’s more important to them that you care, initially, and then that you will fix the situation.”

After summarizing what you heard, ask for the customer’s input about what they want done. When fixing it, exceed their expectations, unless they want everyone fired, the building burned, and the name deleted from history. Drury advised giving front line people the power to make decisions and fix problems up to a pre-set dollar limit.

Of course, the world does have some perpetually cantankerous individuals who are never satisfied. Dealing with them demoralizes employees and, as Cantu noticed, impacts how the next customers are treated.

“Shoot for that 9 out of 10 customers who love dealing with you,” Drury said. “Don’t let the bad one ruin your life. Remember there are a few customers you want to go to the competition.”

When confronted with unreasonable persons, don’t give in to self pity after your best efforts fail. Instead, Drury said, focus on the next thing to be done and take a short walk if possible. Talk to others privately and let yourself laugh.

That’s what Hector Cantu has learned to do after tough customers. Let go and remember to laugh.
All in the Family

LIFETIME INDUSTRIES

By Jim McKone

Working alongside family in your business is not always easy. The Schrock family has learned that during the last 65 years as Lifetime Industries has grown into the region’s largest wholesale distributor of interior finishes.

Founded in 1946 by Jack Schrock, grandfather of owners, brothers John and Michael Schrock, Lifetime Industries’ reach extends from the living quarters of international offshore drilling platforms to the engineered stone countertops in a Valley office break room. Working from Design Centers in McAllen and Brownsville, Lifetime fabricates and installs a full range of tiles, flooring, carpeting from manufacturers such as Daltile, Congoleum, Corian, WilsonArt, Shaw and Mohawk. The company fabricates solid surface countertops and builds custom cabinetry.

John Schrock has definite opinions on what it takes to keep a family business afloat and a happy ship. “Listen to their issues,” he said, noting that problems generally start over the division of labor and responsibilities. “There’s always someone who thinks they are doing more than their share. It’s hard because if they are any good at all, they are going to have some strong opinions.”

“We definitely had our moments. I’m the look-forward guy,” Schrock continued. He tends to answer questions such as, “What do we do next? Plan for this? Organize for that?” In contrast, his younger brother is the opposite. “My brother Michael is the operational ‘This-is-where-we-are guy,’” he continued, a man primed for taking immediate action.

Yet Schrock can see strengths and weaknesses of both mindsets, noting each approach has its benefits. “If you charge ahead and get dumb about it, it costs you a lot of money,” Schrock said. He prefers biding his time. “Get more information to analyze, it’s a lot better.”

The founder’s son, also John Schrock, worked with his father in the business when it was called Lifetime Plastics and located on Ash Avenue, dealing with Fiberglas and oven-fired products. While John Schrock, a Korean War veteran, is still interested in the family business, he spends most of his time in Fredericksburg where he is the vice chairman of the Nimitz Foundation.

Third generation owner John Schrock said his wife Frana is working with Lifetime and his sister-in-law Debbie Schrock has worked in the family business on special projects. But the likelihood of a fourth generation running Lifetime Industries is slim. “The next generation after us, I don’t believe they are going to be joining in the business. My nephew is in medical school, my niece in law enforcement; my oldest son Elliot is in California. Our second son is a first lieutenant with the Fourth Infantry Division in Afghanistan right now. My daughter in California is in clothing fashion design.”

Not many family businesses endure for three generations, but the Schrock family has made a success of working together.
Community Counts

The 6th Annual SpawGlass Fishing Tournament was a HUGE success! Together with clients, architects, specialty contractors and suppliers, we raised over $7,000 for local community organizations.

Pictured: SpawGlass Fishing Tournament Grand Champion team: Brandon Blair of Rhyner Construction Services, Cliffon Blair with Pro Tech Mechanical, Bill Stenil with Stanton’s Marine, Stephen Putegnat with SpawGlass and SpawGlass President, South Texas Region Rene Capistran.

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