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## Earth, Wind, & Fire in Rio South Texas

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McAllen, TX – Some people may think about the band and its music when earth, wind, and fire are mentioned, but for Rio South Texas Economic Council's members, those three words mean opportunity. Rio South Texas Economic Council (RSTEC) held its 3<sup>rd</sup> annual Members and Board of Directors meeting on Thursday, January 19, 2011 at the McAllen Convention Center. Along with the usual business conducted by RSTEC, several speakers were invited to address the group of about 50 attendees from local economic development agencies, chambers of commerce, educational institutions and the private sector.

One of the speakers was William "Bill" Webber, head of project development for Lanco Solar International (US), Inc., who brought with him a discussion on fire from above. Mr. Webber briefed the attendees on some basics related to production of solar energy, but also discussed financing for large scale utility-type projects. Lanco is an Indian-based global energy company with its US operations based in New Jersey. Mr. Webber also informed the group that he and Raudel Garza, Executive Director for RSTEC, have been working on trying to bring in several solar projects into the Rio South Texas area. Two or three 100 MW solar "farms" are being considered, representing an investment of approximately \$300 million or more, and an opportunity to attract hundreds of manufacturing jobs through Lanco's suppliers.

Another speaker talking about wind energy was Robert Peña, Jr., with Texas Energy Consultants. Mr. Peña's firm is working closely with Duke Energy on a couple of the wind farms currently under construction in Willacy County. Mr. Peña informed the group about how wind energy in South Texas is still an industry in its infancy and said that we need to do more to take advantage of the economic opportunities coming.

Lee Higgins, a senior executive with Site Selection Group, made a presentation on "earth" or real estate. More specifically, Mr. Higgins discussed the call center/customer contact center industry and the trends being seen lately. Mr. Higgins talked about some of the negative perceptions that the public has about call centers and mentioned that there are different types of call centers ranging from back office operations to knowledge services and decision analysis centers which can do activities such as claims processing, medical transcriptions, risk management, and more. He also mentioned that the most significant cost for call center operators was labor,

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which represented anywhere from 60% to 80% of all operating costs. He discussed how call centers are now reversing some trends from the past and are “re-shoring” to the US. He mentioned that there were over 91,000 jobs in the call center industry created in the US in 2011 alone. The Rio South Texas region has approximately 8,500 people employed in the call center industry, according to a recent study conducted by Mike Willis with Workforce Solutions. This being a highly-competitive industry creates a need for the operators of these companies to find the best locations based on labor availability, labor costs, real estate and other factors. Communities seeking to attract these large employers need to be more aggressive in the future. Mr. Higgins mentioned that he is now seeing communities offer millions in cash to attract hundreds of jobs. These incentives can make or break a deal for companies and communities. Large cities, which once ignored the call center industry, are now getting more apt to give incentives to land these large job creators.

Aaron Demerson, Executive Director with the Office of the Governor’s Economic Development & Tourism Division also addressed the group discussing the State of Texas’ efforts to recruit new industry into Texas. He also mentioned that working in regional groups is tantamount to an area’s success.

RSTEC also elected new officers for 2012. The officers include Rose Benavidez as Chair. Ms. Benavidez is also President of the Starr County Industrial Foundation and serves as a Trustee with STC. Ms. Alma Colleli, Executive Director for San Benito Economic Development Corporation, was elected to serve as Vice-Chair. Eduardo Campirano, Director for the Port of Brownsville, was elected as Secretary, and Steve Ahlenius, President of the McAllen Chamber of Commerce was elected as Treasurer. Miki McCarthy, Executive Director for San Juan Economic Development Corporation, will serve as Immediate Past Chair.

RSTEC has twenty members from different parts of the four-county area. The most recent additions include the City of Alton Development Corporation and Peñitas Economic Development Corporation.

Located at the southernmost tip of Texas, bordering Mexico along the Rio Grande River, the Rio South Texas area offers an ideal location for companies seeking access to Mexico and the U.S. South and Midwest markets. RSTEC is dedicated to the promotion of new business opportunities and job creation through private investment in the region.

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