

# Lucio Legislation Opens Economic Development Opportunity for San Benito

---

**Austin, TX – Senator Eddie Lucio** (D-Brownsville), was mentioned in this in-depth review of legislation for the City of San Benito

## **Big plans: Victory in Austin clears path for mega-development in San Benito\***

SAN BENITO — A hotel and convention center project, a sports stadium, and plans for hundreds of millions of development dollars to build them seems too good to be real for this hard-luck city.

Many San Benito residents, recalling decades of still-born economic development ideas which never arrived, will say they've heard these stories before.

But this time, city officials insist, things are different.

Two bills passed by the Texas Legislature last session will allow the city flexibility to use municipal hotel occupancy funds as incentives to help pay down certain development costs on the project. While the city only generates about \$60,000 a year from its hotel-motel tax now, officials anticipate the funding stream will be markedly higher once the hotel and convention center are a reality.

“We are ecstatic that after seven long months of hard work and dedication we now have a solid strategy to create new business opportunities in our community,” Mayor Ben Gomez said in a statement.

## **Big plans**

City officials declined to identify the developers, only saying they are Texas-based from up the gulf coast and have experience in these types of projects.

“It is proposed to be a hotel and convention center with a sports facility,” City Manager Manuel De La Rosa said in an interview last week. “It will have other entertainment venues that will attract families. The sports venue during that season will be utilized for sports and when it's off-season, it will be utilized for other venues, like music.

“There will be a Schlitterbahn-type of thing, a water park and man-made waves and things,” he added. “... We saw a layout two months ago when they were here and they had already laid out over 100 acres.”

De La Rosa said the sports stadium would be home to a “minor-league team.”

The city initially offered a deal on land it owns next to the new AEP Service Center, 130 acres. But he said the developers have embarked on land acquisition of their own on a site on Expressway 83 on the north side of the city. City officials say the developers have secured the rights on a 140-acre plot and are seeking 30 adjacent acres.

“We’re working on a pre-development agreement,” De La Rosa said. “Again, the City of San Benito, you know what our debt is — it’s 20-plus million. You know what our tax rate is.”

But with this project, De La Rosa said, “We’re not investing anything.”

### **Lobbying Austin**

The saga of the passing of Senate and House bills allowing San Benito the flexibility to use its hotel-motel tax for development purposes would not have been possible without the help of lobbyist Parker McCollough of Mercury LLC, whom the city hired, and the father-son legislative team of State Sen. Eddie Lucio Jr. and House Rep. Eddie Lucio III.

“We owe a special debt of gratitude to our state Sen. Eddie Lucio Jr. who worked diligently in the Senate, Rep. Eddie Lucio III, who was tireless in his sponsorship of the legislation in the House,” along with McCollough, De La Rosa said. “It is through their perseverance that these two major pieces of legislation were enacted.”

The legislation, as is common in such tightly crafted bills, did not specifically say San Benito. Instead, the parameters of the legislation listed a city had to be in a county which bordered the Gulf of Mexico, had to be in a county which bordered Mexico, be a city with under 25,000 population and have a cultural heritage museum.

Only San Benito qualifies under those restrictions.

Gov. Greg Abbott signed House Bill 4347 last month. House Bill 2199 was allowed to proceed into law without his signature, an indication of his disapproval of these tailored bills, but still he took no move to block them. Both pieces of legislation go into effect Sept. 1.

### **Hundreds of millions**

The secret developer and city officials became acquainted during discussion about the Freddy Fender museum project, De La Rosa said.

They approached the city with the hotel-convention center and stadium plan in December 2017, and De La Rosa said things have progressed. So far, he said, in meetings with the developer, city

officials were shown three different project mock-ups which evolved into something bigger each time.

“It’s going to be job-creation and increased property values (but) we will have to beef up some of our infrastructure, our water and sewer systems, our roadways,” De La Rosa said.

The city manager noted that the development site also is located in a federal opportunity zone based on the 2010 Census, and also would be in the Incremental Investment Zone which the city holds in partnership with the county.

“So the more they invest, and when I say hundreds, I mean a few hundred million is what we’re already talking about, the more opportunity they get to recoup their money,” he said.

De La Rosa said the city is preparing a pre-development agreement with the developers and officials hope to have it in place within three months. At that point, he anticipates a memorandum of understanding will be signed by all parties, giving the developer a year to finalize plans.

### **‘Hardworking people’**

In recent years, several studies have ranked San Benito as the poorest city in Texas. The latest in this series of dubious recognitions came earlier this month from the website 24/7 Wall St.

With a population of 24,474, San Benito has a median household income of \$26,583 annually, based on 2017 U.S. Census Bureau data. San Benito’s poverty rate is 37.4 percent, and its median home value is just \$55,100.

Given those numbers, it is perhaps no surprise the city has been unable to generate much traction when it comes to economic development.

Yet there have been positives lately, like the construction of the new \$23.7 million AEP Texas Service Center. Wal-Mart, which has closed stores in some cities like Raymondville, with serious economic consequences for that community, is so bullish on its San Benito location the company just upgraded its store with an investment of at least \$600,000.

A hotel-slash-convention center and sports stadium may have an impact beyond the merely economic. Perhaps such a financial investment in the City of San Benito will be a psychological boost for the city’s residents as well.

Several municipalities in the last legislative session also sought special favors from lawmakers, but many if not most were denied. In that sense, San Benito officials already feel they have a victory and are now free to pursue the bigger prize.

“But here’s the point,” De La Rosa said, recalling what he told state legislators in Austin earlier this year. “My testimony was 37 percent of our population is at the poverty level. We should get more to our community — we need it. This would be good for San Benito, this would be good for Cameron County.

“These are hardworking people,” De La Rosa told lawmakers. “Give us a chance.”

---

\* Kelley, Rick. "Big plans: Victory in Austin clears path for mega-development in San Benito." *Valley Morning Star*, 20 July 2019, <https://www.valleymorningstar.com/2019/07/20/big-plans-victory-austin-clears-path-mega-development-san-benito/>