

Welcome to Launchpad Crossing

The Commercial Crossroads Gateway

The Brownsville metro area has experienced an explosion of growth over the past five years and is projected to continue on a rapid growth path due to the influx of new technology, high tech production facilities and the many support industries they require. Due to this economic expansion, the City of Brownsville has increased their support and promotion of it's east side development with the help of the "Brownsville Big 3". These are the primary economic generators of the area: SpaceX, the Port of Brownsville and the Brownsville Airport.



As the newest addition to the area, SpaceX has attracted the largest amount of publicity from outside of the region with the Boca Chica Beach Research and Development Facility (Starbase), putting Brownsville on the map as a "Space City". SpaceX and it's founder,

Elon Musk, have energized the area not only by establishing Starbase, but also by investing in historic downtown Brownsville and the Brownsville Independent School District. They have infused over 30 Million dollars in these areas to jump start the local economy, as well as to help with building strong STEM programs within the schools. Consequently, the livability and allure of Brownsville has increased, making it more appealing to the in-bound affluent consumers.



SpaceX is located 10 miles from the Brownsville City limits, directly at the end of SH-4, also known as Boca Chica Boulevard. The company is the largest single private employer in the area, with more than 3,500 employees currently(Dec 2023), and a workforce that is expected to exceed 5000 by 2026. This influx of people has bolstered the immediate need for services including restaurants, lodging and retail on the east side of Brownsville. Launchpad Crossing Commercial Park is being developed on the east side, at the first/last intersection to SpaceX, the Port, and the Airport on Boca Chica Boulevard.



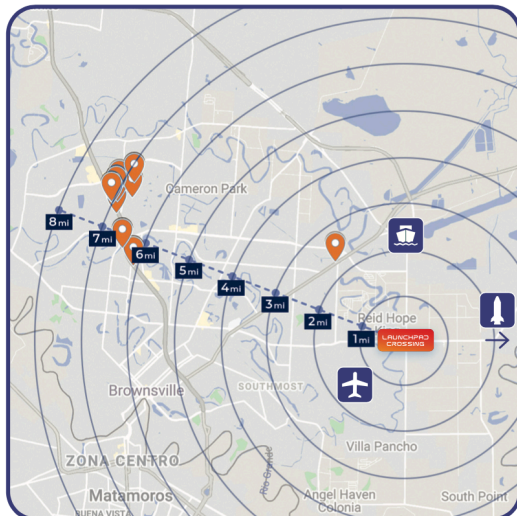
The next revenue generator for the City of Brownsville is the Port of Brownsville. As cited by *The Port*(newsletter), they are one of the main driving economic engines for the region, according to the latest analysis, with more than 9,000 regional workers directly employed by

activities at the port and infusing \$2 billion annually into the Rio Grande Valley.

Over the last few years, the Port has added new facilities and continued to expand in well established, longterm shipping industries(oil, grain, cargo, steel, wind turbines, etc.) The LNG intrastate pipeline has also been completed, reaching its final destination at the Port. A LNG



production facility (Next Decade LNG) announced construction of a \$1Billion phase 1 in the fourth quarter of 2022. The POB (Port of Brownsville) recently announced an additional \$11.1Billion new and expanding business investment signed for development and completion within the next ten years. The Port channel is also cutting another 12 feet of depth in the center of the channel to allow for larger tankers and cargo ships access to the Port docks and facilities. The POB main entry is located 1.75 miles north of Launchpad Crossing, at the intersection of Indiana Avenue and Boca Chica Boulevard.



On it's own, the above referenced growth and investment in the Port is a massive boon to the economic growth of the area. While 80% of this growth reflects heavy “blue collar” local employment, the other 20% of growth at the Port is high level engineering and technical services that, prior to the arrival of SpaceX, did not exist in volume in the local business environment. As these advanced skills and services are being imported from an international cadre of firms, the need for hospitality properties and support services has quadrupled. As this population continues to grow, the Brownsville Big 3 are increasingly

competing for consumer services with the startup companies and engineering specialists who are attracted to the area and locating at the airport incubator.

As of January 2024, Brownsville is neither equipped nor able to provide the level or volume of lodging and hospitality services needed to serve this population.



Above is a picture of the temporary housing SpaceX has been forced to provide.

Because of their rapid growth pace, SpaceX has especially felt the impact of this lack of services as they continue to grow their workforce of professional, highly-educated, technical specialists supporting SpaceX.

As they continue to relocate employees from other locations and commute those based across the corporation, their struggle to find hotel facilities and services to support the technical specialist, as well as the vendors and subcontractors will only continue to grow and worsen. To help facilitate the need, SpaceX also announced a \$120Million infusion for construction to expanding on-site facilities at Starbase. This will provide more support, however it will only impact the workers remaining on site, as well as the tourists and daily visitors. The ability to support families, housing, etc. on a permanent basis is limited due to the sea-level elevation, beach terrain and the annual hurricanes hitting the Gulf Coast. Permanent solutions inland are being built closer to the city limits.

Given the secluded location of the SpaceX facility right down the road on Boca Chica Boulevard, Launchpad Crossing offers the ideal location for an initial cluster of solution based hospitality services and lodging. The South Padre Island tourist hotels are an hour and a half away, and the existing hotels in Brownsville are concentrated on the northern side of the city, located along the interstate highway, over thirty miles(an hour drive) away from the SpaceX facility. The only “full service” hotel planned for Brownsville in the near future is a Hilton Gardens convention facility, which will be located(an hour and a half) farther away, on the north side of the hotel cluster on the Interstate. Launch Pad Commercial Park is 20 minutes from SpaceX and 5 minutes away from the Airport and the POB.





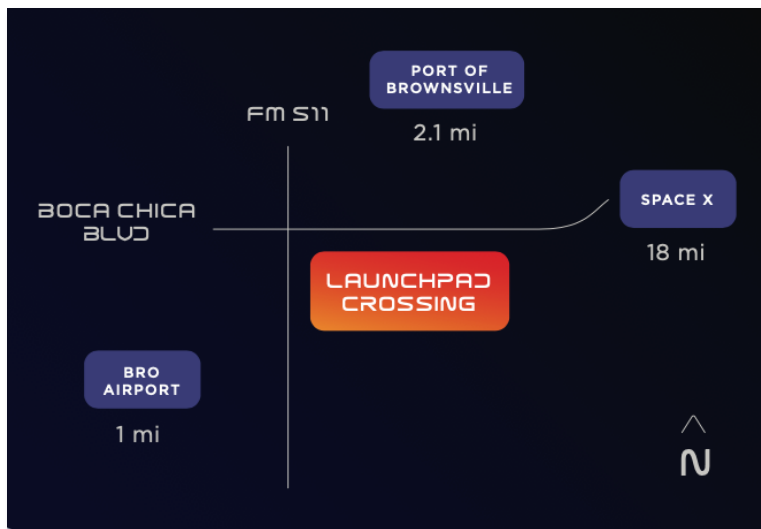
The last of the “Brownsville Big 3” is The Brownsville-South Padre Island International Airport. The facility encompasses over 750 acres and includes the standard airport terminals, airlines and private plane facilities, and is the hub of an over 1.2 million square feet of industrial/warehouse incubator space which is

owned and leased by the city. Over 61 tenants occupy the fully leased properities, with many new start up companies focused on R&D related to space, aeronautic and marine, as well trasranshipping companies doing international business



with Mexico and beyond. SpaceX has also had a large impact on this facility, occupying more than 200,000 SF at the airport incubator. To aid in accomodating the need, the City has built an additional 250,000 SF. The City of Brownsville has no plans to add hotels at or near the airport facility. Travelers and airline staff flying in to the area don't have any local access to a flagged hotel within 9 miles of the airport. As an aside, SpaceX was instrumental in bringing Avelo Airlines to the Brownsville Airport with non-stop flights to Burbank, Orlando(near other SpaceX facilities), and seasonally, Las Vegas.

Launchpad Crossing Commercial Park



Family owned since the 1970's, the Launchpad Crossing site is located at the southeast corner (SEC) of Boca Chica Blvd (Hwy 4) and FM511 (Indiana Ave). The Hodgson family worked with the City of Brownsville, donating easements to extend utilities to the area. They then activated the property for commercial development use during the COVID pandemic and

engaged Zeigler Development Company to masterplan and commence on the commercial park concept. One of the targeted properties for the project is a hotel facility.

Current occupancy and rack rates for the existing, more recently built flagged hotel/motel base is 88-90% occupancy rate and \$150/night rate and up. Brownsville has additional older motels in need of repair and remodeling. These facilities lower the overall market average rate. Even though they are the accommodations of last choice to stay in, they are often at capacity occupancy.

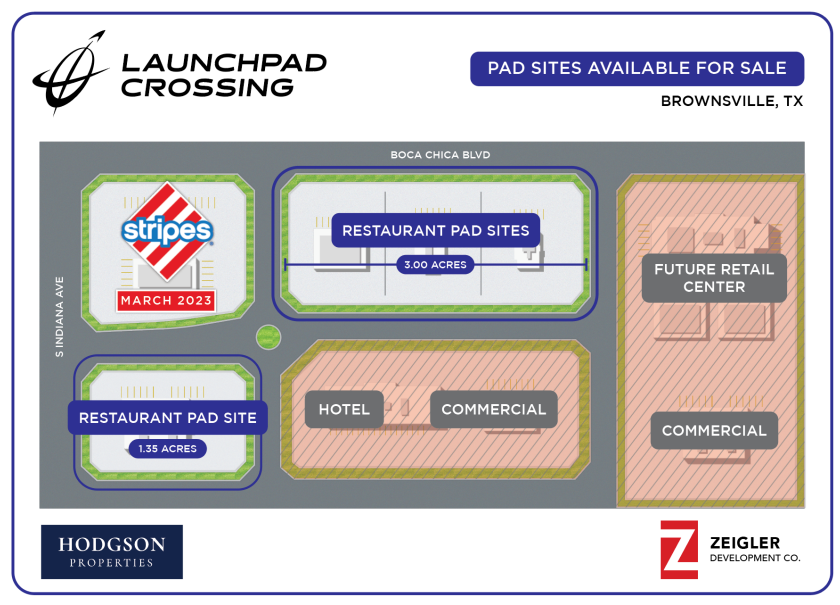
Flagged modern hotels are in high demand and command a higher overnight stay fee. The demand for hospitality properties is not anticipated to dissipate in the future. The Chamber of Commerce/BEDC estimate an additional 1200 rooms are needed to support the growth occurring today. This increased accessibility has also impacted the need for hospitality and lodging expansion.

Both SpaceX and Bechtel Engineering (LNG facility Contractor) have contacted the Launchpad Crossing project directly to express their interest in and need for hotel development and supportive services.

The master-planned twenty-acre park has set aside a 4-acre (gross) site for a hotel property development. Phase 2 on the eastern end of the project has been left open. Marketing of the restaurant pads has been slow walked to determine the hotel user and level of onsite amenities they will

commit to. The dearth of any level of food services in the immediate area has caused pent up demand for QSR and restaurant facilities.

The project is situated at the primary east-side intersection in Brownsville, enabling reach to the three economic generators, allowing for clustering of food services, etc. The other corners of the intersection are limited in their ability to compete with the project due to existing uses and physical limitations. To maximize the return and profitability on selling food service lots, the project has taken a conservative approach and will establish the hotel property determination first so that the users compliment and maintain the quality of the hotel brand instead of detract or compete with onsite amenities.



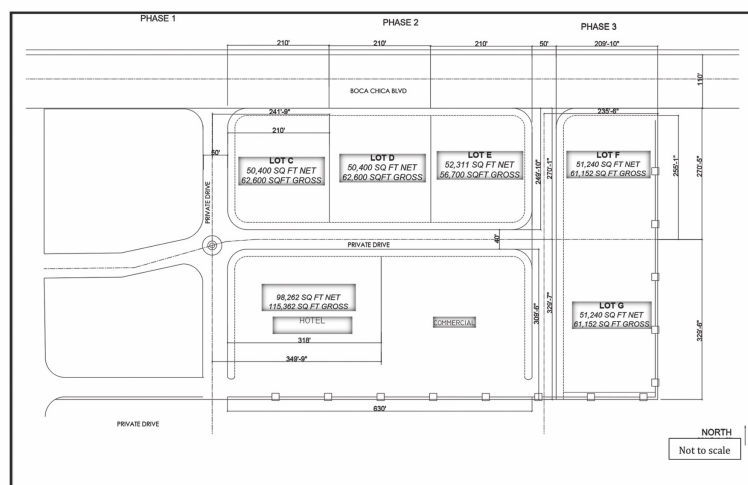
Peripheral Industry users include the rapidly increasing space tourism, historical interests, birding and the ecotourism provided by the national wildlife refuges out towards SpaceX and Boca Chica Beach. The other silent giant which is not emphasized in this memorandum is the Mexico trade and travel activities. Brownsville is one of only two Texas border cities with industrial rail crossing into and out of Mexico. Matamoros has a rapidly growing trade and maquila manufacturing industry. The majority of northern Mexican states and population cross the border to utilize the air flights to travel anywhere. Additionally, the US federal government employees have occupied the hotels before, during and after the pandemic.

Brownsville was one of the few cities to see actual income growth during the COVID pandemic, courtesy of Homeland Security, Customs and medical support from the Armed Forces.

This memorandum is simply an overview of the activities and business opportunities that are expanding in the community. For more information about opportunities at Launchpad Crossing, please contact Zeigler Development Company at: kzeigler@zeiglerco.com. Hodgson Properties also adds articles of interest as they appear in the media and posts them on their website: hodgsonproperties.com.



Pad Sites For Sale or Ground Lease



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