

The Outlet Shoppes at Laredo

Laredo, Texas



Horizon Group Properties

Based in suburban Chicago, Horizon Group Properties, Inc. is an owner and developer of factory outlet shopping centers and is the developer of a master planned community in suburban Chicago. Horizon owns, or holds interests in 8 outlet shopping centers. The properties are located in 8 states exceeding 2.5 million square feet with one million additional square feet under development.

A trusted and well-respected company, Horizon's current portfolio hosts some of America's leading retailers and most sought after name brands like Coach, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Gucci, Michael Kors, Nike, Tommy Hilfiger and Gap, to name just a few.

Our Properties

HGP
Horizon Group Properties

Providing exciting shopping environments
...from years of
Experience

BURLINGTON, WA

EL PASO, TX

LAREDO, TX

TULSA, OK

OKLAHOMA CITY, OK

HUNTLEY, IL

OSHKOSH, WI

MUSKEGON, MI

EAST HARTFORD, CT

FREMONT, IN

GETTYSBURG, PA

ATLANTA, GA

Outlet Center

Outlet Center New Development

Land Development

The Outlet Shoppes at Laredo

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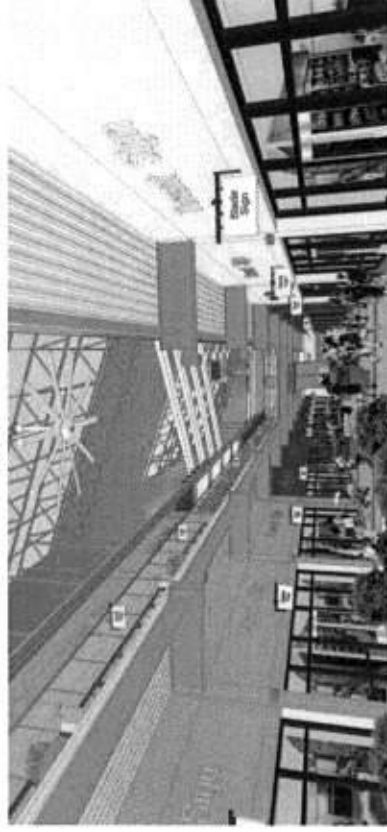
Not Just Another Outlet Center – A Transformation for Downtown Laredo



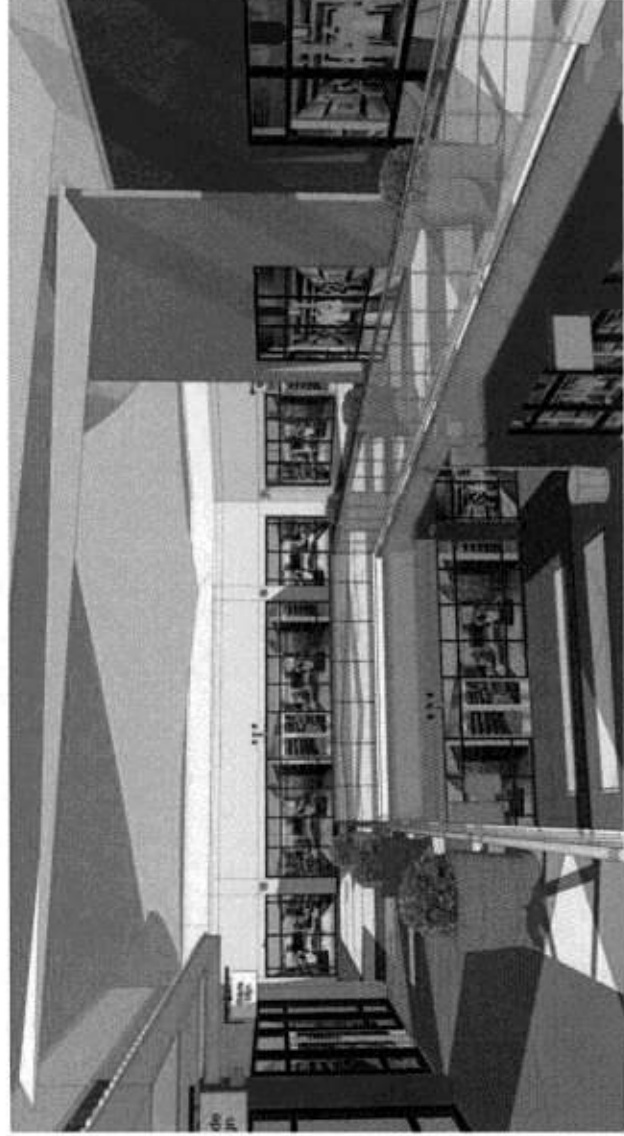
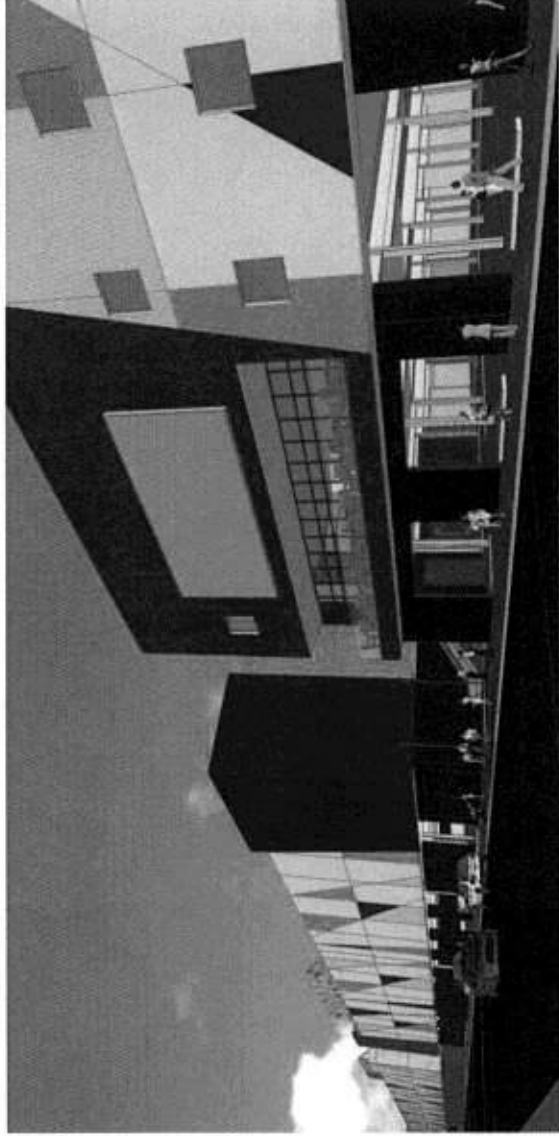
- Kick starts significant downtown redevelopment
- Catalyst to spur more economic activity with Mexico – especially Monterrey
- Serves as a Tourism Magnet
- Provides an Amenity for Convention Business
- Serves as an engine for collateral development i.e. hotel, retail, restaurants and entertainment

Quality Design

- Mall amenities include a central courtyard with a fountain, food pavilion, and children's play area. All encouraging longer stays at the center, and increased sales as a result.
- Corridors provide comfortable environment that protect shoppers from the elements.
- Well landscaped and professionally maintained.
- Underground parking.



Famous Brand Name Retailers



Covered corridors with comfortable seating
and beautiful landscaping.



Great Dining Options



Benefits to Webb County

Fall 2015 Groundbreaking Late 2016

458,000 gross leasable square feet of retail

- Phase 1 – 358,000 square feet

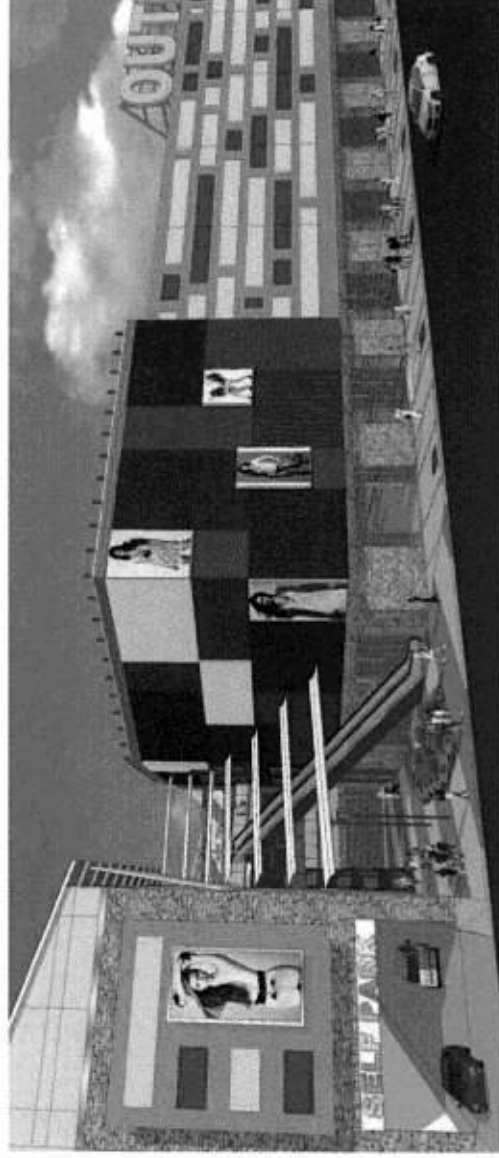
Initial investment will be in excess of \$100 million

85 retailers with combined annual sales exceeding \$134 million

- Phase 2 – 100,000 square feet
- 15–20 retailers with combined annual sales exceeding \$37 million

Total Jobs for Phase I

- Construction 1,000
- Operations
 Permanent 1,200
 Seasonal 1,600



Conservative Benefits to the County and City

The Outlet Shoppes at Laredo - County & City Sales Tax Analysis

Year	Square Feet	Sales / Sq	Annual Sales	Annual Sales Taxes	Taxing Entities:					Sports Venue	Webb County
					State of Texas	City of Laredo	Mass Transit	City of Laredo	Mass Transit		
1	357,540	\$375	\$134,077,500	\$11,061,394	\$8,379,844	\$1,340,775	\$335,194	\$335,194	\$335,194	\$335,194	\$670,388
2	357,540	\$383	\$136,759,050	\$11,282,622	\$8,547,441	\$1,367,591	\$341,898	\$341,898	\$341,898	\$341,898	\$683,795
3	357,540	\$390	\$139,494,231	\$11,508,274	\$8,718,389	\$1,394,942	\$348,736	\$348,736	\$348,736	\$348,736	\$697,471
4	357,540	\$398	\$142,284,116	\$11,738,440	\$8,892,757	\$1,422,841	\$355,710	\$355,710	\$355,710	\$355,710	\$711,421
5	357,540	\$406	\$145,129,798	\$11,973,208	\$9,070,612	\$1,451,298	\$362,824	\$362,824	\$362,824	\$362,824	\$725,649
6	357,540	\$414	\$148,032,394	\$12,212,672	\$9,252,025	\$1,480,324	\$370,081	\$370,081	\$370,081	\$370,081	\$740,162
7	357,540	\$422	\$150,993,042	\$12,456,926	\$9,437,065	\$1,509,930	\$377,483	\$377,483	\$377,483	\$377,483	\$754,965
8	357,540	\$431	\$154,012,903	\$12,706,064	\$9,625,806	\$1,540,129	\$385,032	\$385,032	\$385,032	\$385,032	\$770,065
9	357,540	\$439	\$157,093,161	\$12,960,186	\$9,818,323	\$1,570,932	\$392,733	\$392,733	\$392,733	\$392,733	\$785,466
10	357,540	\$448	\$160,235,024	\$13,219,389	\$10,014,689	\$1,602,350	\$400,588	\$400,588	\$400,588	\$400,588	\$801,175
11	357,540	\$457	\$163,439,724	\$13,483,777	\$10,214,983	\$1,634,397	\$408,599	\$408,599	\$408,599	\$408,599	\$817,199
12	357,540	\$466	\$166,708,519	\$13,753,453	\$10,419,282	\$1,667,085	\$416,771	\$416,771	\$416,771	\$416,771	\$833,543
Total Sales Tax Generated					\$148,356,405	\$112,391,216	\$17,982,595	\$4,495,649	\$4,495,649	\$4,495,649	\$8,991,297

Notes:

Total Sales tax is: 8.25%; State of Texas receives 6.25%; City of Laredo - 1.0%; Webb County - 0.5%; Mass Transportation 0.25% and Sports Venue - 0.25%.
Sales Growth Rate: 2.0%

Aggressive Benefits to the County and City

The Outlet Shoppes at Laredo - County & City Sales Tax Analysis

Year	Square Feet	Sales / Sq	Annual Sales	Annual Sales Taxes	Taxing Entities:					Webb County	
					State of Texas	City of Laredo	Mass Transit	Sports Venue	Webb County		
1	357,540	\$500	\$178,770,000	\$ 14,748,525	\$ 11,173,125	\$ 1,787,700	\$ 446,925	\$ 446,925	\$ 446,925	\$ 893,850	
2	357,540	\$510	\$182,345,400	\$ 15,043,496	\$ 11,396,588	\$ 1,823,454	\$ 455,864	\$ 455,864	\$ 455,864	\$ 911,727	
3	357,540	\$520	\$185,992,308	\$ 15,344,365	\$ 11,624,519	\$ 1,859,923	\$ 464,981	\$ 464,981	\$ 464,981	\$ 929,962	
4	357,540	\$531	\$189,712,154	\$ 15,651,253	\$ 11,857,010	\$ 1,897,122	\$ 474,280	\$ 474,280	\$ 474,280	\$ 948,561	
5	357,540	\$541	\$193,506,397	\$ 15,964,278	\$ 12,094,150	\$ 1,935,064	\$ 483,766	\$ 483,766	\$ 483,766	\$ 967,532	
6	357,540	\$552	\$197,376,525	\$ 16,283,563	\$ 12,336,033	\$ 1,973,765	\$ 493,441	\$ 493,441	\$ 493,441	\$ 986,883	
7	357,540	\$563	\$201,324,056	\$ 16,609,235	\$ 12,582,753	\$ 2,013,241	\$ 503,310	\$ 503,310	\$ 503,310	\$ 1,006,620	
8	357,540	\$574	\$205,350,537	\$ 16,941,419	\$ 12,834,409	\$ 2,053,505	\$ 513,376	\$ 513,376	\$ 513,376	\$ 1,026,753	
9	357,540	\$586	\$209,457,548	\$ 17,280,248	\$ 13,091,097	\$ 2,094,575	\$ 523,644	\$ 523,644	\$ 523,644	\$ 1,047,288	
10	357,540	\$598	\$213,646,698	\$ 17,625,853	\$ 13,352,919	\$ 2,136,467	\$ 534,117	\$ 534,117	\$ 534,117	\$ 1,068,233	
11	357,540	\$609	\$217,919,632	\$ 17,978,370	\$ 13,619,977	\$ 2,179,196	\$ 544,799	\$ 544,799	\$ 544,799	\$ 1,089,598	
12	357,540	\$622	\$222,278,025	\$ 18,337,937	\$ 13,892,377	\$ 2,222,780	\$ 555,695	\$ 555,695	\$ 555,695	\$ 1,111,390	
Total Sales Tax Generated					\$ 197,808,541	\$ 149,854,955	\$ 23,976,793	\$ 5,994,198	\$ 5,994,198	\$ 5,994,198	\$ 11,988,396

Notes:

Total Sales tax is: 8.25%; State of Texas receives 6.25%; City of Laredo - 1.0%; Webb County - 0.5%; Mass Transportation 0.25% and Sports Venue - 0.25%.
Sales Growth Rate: 2.0%

Property Tax Benefits to the County and City

The Outlet Shoppes at Laredo - I.S.D., County, and City Property Tax Analysis

Year	Square Feet	Tax/Sq Ft	Total Property Taxes	Laredo I.S.D.	Webb County	City of Laredo
1	357,540	\$ 3.30	\$ 1,179,882	\$ 652,139	\$ 208,096	\$ 319,647
2	357,540	\$ 3.40	\$ 1,215,278	\$ 671,703	\$ 214,339	\$ 329,236
3	357,540	\$ 3.50	\$ 1,251,737	\$ 691,854	\$ 220,769	\$ 339,113
4	357,540	\$ 3.61	\$ 1,289,289	\$ 712,610	\$ 227,393	\$ 349,286
5	357,540	\$ 3.71	\$ 1,327,968	\$ 733,988	\$ 234,214	\$ 359,765
6	357,540	\$ 3.83	\$ 1,367,807	\$ 756,008	\$ 241,241	\$ 370,558
7	357,540	\$ 3.94	\$ 1,408,841	\$ 778,688	\$ 248,478	\$ 381,675
8	357,540	\$ 4.06	\$ 1,451,106	\$ 802,049	\$ 255,932	\$ 393,125
9	357,540	\$ 4.18	\$ 1,494,639	\$ 826,110	\$ 263,610	\$ 404,919
10	357,540	\$ 4.31	\$ 1,539,478	\$ 850,894	\$ 271,519	\$ 417,066
11	357,540	\$ 4.43	\$ 1,585,663	\$ 876,420	\$ 279,664	\$ 429,578
12	357,540	\$ 4.57	\$ 1,633,233	\$ 902,713	\$ 288,054	\$ 442,466
13	357,540	\$ 4.71	\$ 1,682,230	\$ 929,794	\$ 296,696	\$ 455,739
14	357,540	\$ 4.85	\$ 1,732,696	\$ 957,688	\$ 305,597	\$ 469,412
15	357,540	\$ 4.99	\$ 1,784,677	\$ 986,419	\$ 314,764	\$ 483,494
Total Sales Tax Generated			\$ 21,944,524	\$ 12,129,079	\$ 3,870,367	\$ 5,945,078

Notes:

Mill rates: Laredo I.S.D - 1.2996, Webb County - 0.4147, City of Laredo - 0.6370

Property Tax Growth Rate 3.0%

Outlet Center Incentives in the U.S.

Incentives include sales tax rebates, tax increment financing (TIF), marketing subsidies, and infrastructure reimbursements. Examples:

Carson, California	\$81,000,000	March 2013
Gretna, Nebraska	\$57,000,000	March 2013
Corpus Christi, Texas	\$38,000,000	January 2013
Jackson, Mississippi	\$22,000,000	February 2013

- The Outlet Shoppes at Laredo will bring into Webb County and Laredo sales tax dollars that are currently going to San Marcos and Mercedes.
- The Outlet Shoppes at Laredo will generate significant sales and sales taxes from the residents of Monterrey, Mexico.
- Sales taxes from Webb County residents will be kept in Webb County rather than being spent in San Marcos.
- The sales tax incentive is primarily from NEW TAXES – DOES NOT SPEND EXISTING SALES

TAX REVENUE.