

# TEDC 2023 CEDA APPLICATION

All Applications Must Be Received by August 25, 2023

The 2023 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

## AWARD CATEGORIES

The CEDA will be given to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying.

- Population less than 10,000 \_\_\_\_\_
- Population 10,001 to 20,000 \_\_\_\_\_
- Population 20,001 to 50,000 \_\_\_\_\_
- Population 50,001 to 100,000 \_\_\_\_\_
- Population 100,001 to 250,000 \_\_\_\_\_
- Population 250,001 and above \_\_\_\_\_

## NOMINATION:

Name of Community: \_\_\_\_\_

TEDC Member Name: \_\_\_\_\_ (individual member, not organization)

Telephone #: \_\_\_\_\_

Email Address: \_\_\_\_\_

Community Population (as currently marketed): \_\_\_\_\_

Application Submitted By: \_\_\_\_\_

Email Address: \_\_\_\_\_

Media Contacts: [optional]

Organization: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Email Address: \_\_\_\_\_

Organization: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Email Address: \_\_\_\_\_

## TEDC CEDA Award (Bridgestone Bandag)

### PROJECT OVERVIEW

In May 2023, Bridgestone Bandag, a legacy manufacturer in the Abilene community for over 50 years, broke ground on the expansion of its tire retread plant in Abilene, Texas. Bridgestone Bandag's \$60 million highly automated expansion project will add 50,000 square feet to one of their existing facilities in Abilene. The expansion will develop an automated operation for rubber mixing and feedstock production that will increase the capacity of their current retread operation in Abilene.

Bridgestone Americas, Inc. is the U.S.-based subsidiary of Bridgestone Corporation, a global leader in tires and rubber manufacturing, is building on its expertise to provide solutions for safe and sustainable mobility. Bridgestone offers a diverse product portfolio of premium tires and advanced solutions backed by innovative technologies, improving the way people around the world move, live, work and play. Bandag is a subsidiary of Bridgestone Americas. Bandag is an industry leading supplier of retread tires for trucking fleets. Retread tires provide fleets an economic benefit and are an environmentally responsible way to extend the life of tires in any truck fleet. Since 1957, Bandag has been responsible for keeping approximately 300 million tires out of the waste system, which helps reduce material emissions, water and energy use associated with the production of a new tire.

### INNOVATIVENESS

The Development Corporation of Abilene (DCOA) employs a strategic approach to the retention and expansion of companies in Abilene. Bridgestone Bandag has been an integral part of the Abilene community for over 50 years. The DCOA has built a strong relationship with the company over the years, walking alongside the company as it was acquired by Bridgestone Americas in 2007 and subsequent changes in local management. Since that time, the DCOA worked to ensure that strategic relationships were built at both the local and corporate level. The company had outlined the potential for expansion 5 years ago, in 2018. The DCOA ensured that the expansion conversations continued to be prioritized as new local management was brought in. The DCOA team was committed to consistent and intentional communication with corporate and local leadership at Bridgestone Bandag. The pandemic offered a unique opportunity to further deepen the relationships the DCOA had fostered over the years, as the plant was on lock down from outside meetings. The DCOA ensured the company understood their importance to the Abilene community, all the while, positioned for the expansion.

As the conversation around the expansion shifted from local leadership to the corporate executive team in Nashville and Japan, the DCOA team conducted in-depth due diligence to identify the key decision makers for the expansion project. The DCOA leveraged relationships with the consultant managing the competitive expansion project to create a

strategic path forward that offered streamlined negotiation and decision making. The DCOA team's knowledge of the Abilene facility and relationships with both local and corporate leadership enabled the team to submit a competitive and personalized Request for Information response to the consulting firm.

### **TRANSFERABILITY**

The DCOA believes that strong business retention and expansion efforts are critical in implementing effective economic development at the local level. Best practice business retention and expansion efforts can and should be replicated by other economic development organizations as they are the cornerstone of successful economic development. With Bridgestone Bandag, long-term relationships built through the DCOA's Business Retention and Expansion program played an essential role in navigating this competitive expansion project. Providing exceptional customer service, the DCOA team listened to Bridgestone Bandag's primary site selection criteria and facilitated strategic discussions regarding those topics with city leadership, local business leaders, and community service providers to position Abilene as the ideal site for the expansion project. Additionally, the DCOA served as a conduit for the company to meet with City department heads during the expansion process, mitigating lag time during the pre-construction and construction phases of the expansion.

On May 16, 2023, a groundbreaking celebration was held and attended by local civic leaders and company executive leadership that worked on the project.

"Today is a significant day for all of us at the Abilene Bandag plant and across Bridgestone Americas, as we break ground on this important expansion that will allow us to grow our production capabilities to meet the needs of our customers," said Billy Fralick, Plant Manager, Bandag Abilene Plant. "We'd like to thank the Abilene community for its support over the last 52 years. We're excited to begin this next chapter in our plant's history."

### **COMMUNITY COMMITMENT AND LEVERAGE**

Bridgestone Bandag's expansion project is representative of the type of work the DCOA prioritizes – building long-term partnerships with local existing companies. Our existing businesses remain the backbone of our community, and we are privileged to partner with Bridgestone Bandag, which has continued to invest in Abilene. The DCOA celebrated Bridgestone Bandag's 50-year Anniversary on May 16, 2022, in Abilene with the company through a proclamation from the City of Abilene's Mayor and anniversary celebration at the Abilene facility.

"Today we celebrate the growth and commitment of this plant and this community, with new investment and a physical expansion driven by growing demand for our products and, just as fundamentally, by this team's commitment to delivering innovation and superior quality for our customers here and around the world," said Chris Daniel, Executive Director, Bandag Manufacturing, Bridgestone Americas. "Our company and

our Abilene team have a vital role to play in the transformation of mobility brought forth by a desire of building greener retreats, while helping maximize fuel efficiency for fleets.”

This long-term partnership has continued to grow and prosper through community involvement and support. The DCOA’s ability to move at an accelerated pace to meet Bridgestone Bandag’s expansion timeline was a critical factor in successfully expanding the Abilene facility. The project had an exceptional amount of community support from our city leadership and the DCOA Board of Directors. This was showcased in our commitment to leverage local incentives in a timely manner to ensure the Bridgestone Bandag continued to grow in the Abilene community.

### **MEASURED OBJECTIVES**

The DCOA takes into consideration the long-term benefits the company commits for Abilene in addition to the contractual obligations for the incentive package. While the primary objective was successfully retaining and expanding Bridgestone Bandag in the Abilene community, there were many additional objectives that were required in the contract. Bridgestone Bandag’s expansion project is contracted to retain 179 full-time employees and create an additional 25 full-time positions for the total employment of 204 full-time employees over a 5-year period. The contract also committed Bridgestone Bandag to a \$60.305 million investment and construction of an additional 50,000 square feet over a 5-year period.

### **SECONDARY BENEFITS**

Bridgestone Bandag’s expansion project is a remarkable opportunity for the Abilene community. The Abilene plant expansion supports Bridgestone’s E8 Commitment that consists of 8 Bridgestone-like values starting with the letter “E” (Energy, Ecology, Efficiency, Extension, Economy, Emotion, Ease, and Empowerment) to realize a sustainable society. With salaries above the average salary of the City of Abilene, this project will continue to build a quality work environment for the families of Abilene.

Over the next 10 years, the \$60.305 million project is estimated to add over \$21 million in taxes for the City of Abilene, Taylor County, and the local school district (Impact DataSource). The taxable sales/purchases in the City of Abilene are projected to be \$64,586,603 over 10-years (Impact DataSource). In addition, according to the report from Impact DataSource, the indirect (“spin-off”) impact of the project includes an additional 212 jobs totaling more than \$9.9 million in annual salaries and wages, and \$16,402,707 in projected taxable sales/purchases in the City of Abilene. Over the next 10 years, the total estimated indirect and direct impact of the retention and expansion of the company is \$1.81 billion.

In addition to the long-term fiscal benefits of Bridgestone Bandag’s expansion project, there are many additional benefits of the project. With increased automation in Abilene’s local manufacturing cluster, this helps the DCOA team have intentional conversations



around local workforce demands and opens more workforce development opportunities. Automation attracts higher skilled labor to the area and opens the door for more investment in both automation and training Abilene's local workforce. Bridgestone Bandag's expansion enabled the Development Corporation of Abilene to educate local leaders and the public on the benefits of automation, which has built a path for future, automated projects.