

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: _____



**LUBBOCK
ECONOMIC
DEVELOPMENT
ALLIANCE™**

Leprino Foods Company Breaks Ground in Lubbock, Texas

Overview

The Lubbock Economic Development Alliance (LEDA) welcomed Leprino Foods Company, a world leader in the production of premium-quality cheese and dairy ingredients, to Lubbock during a groundbreaking ceremony on June 15, 2022. The initial capital investment of \$870 million to the Lubbock community has grown to more than \$1 billion. Six-hundred full-time jobs will staff the 850,000 square foot state-of-the-art manufacturing facility, which will produce one million pounds of cheese per day. The new facility is located on 258 acres in East Lubbock. Supported by world-class food safety, operations, training, and maintenance programs, as well leading-edge automation and instrumentation, the site will expand Leprino's existing domestic network of manufacturing facilities to West Texas.

Innovativeness

LEDA and Leprino sought a mutually beneficial solution regarding the company's growing need for land application. During the initial conversations regarding the company's need for acreage for disposal of excess water, it became evident the amount of acreage needed was significant. As the project grew, so did the acreage for land application. When the amount of land needed became unreasonable, the team at LEDA suggested a solution to install a wastewater treatment facility to clean the excess water to stream quality. The company saw this idea as an ideal solution and the teams began working with the City to utilize the excess water for a future City initiative. As a precious resource, city officials saw an opportunity to channel this excess water to provide a direct source for Lubbock Lake Six. This source will be the most affordable water source owned by the City and will fast track the development of a future City lake, Lake Seven.

Transferability

Fostering relationships between economic development staff and city officials is essential to enhancing intrapersonal communication. By developing this rapport, the EDC is able to solve complicated problems quicker because they trust their partners' confidentiality and expertise; therefore, it is easier to find mutually beneficial solutions through the duration of the project.

Understanding both the company's core values as well as your community's values is vital to moving a project forward. When board members along with city leaders and staff believe the company is not only a good business decision but also a good fit for the character of the city, they are eager to advocate for the project through the entire process.

Community Commitment and Leverage

A project, especially one of this magnitude, cannot be won by a single organization or entity. Collaboration between partnerships and local leaders - both private and public - is essential to finding creative solutions to potential roadblocks. LEDA's strong relationships with Lubbock County, The City of Lubbock, Roosevelt ISD, Texas Tech University, BASF, and local realtors, as well as a collective motivation to win the deal, fostered an environment conducive to meaningful and creative solutions for each challenge. For example, in its early stages, finding enough land was challenging as the project continued to grow. From BASF relocating its crop research site to Lubbock County improving the area's infrastructure through use of road bond money, each partnership proved integral to the overall success of the project.

The company will utilize over 1.3M gallons of water to produce one million pounds of cheese daily. With a growing concern for the amount of water usage and disposal needs, the City and Leprino moved forward with an innovative solution. Because of their environmental responsibility initiatives, Leprino and the City agreed to allow the excess processed water to be cleaned, filtered and sent as stream quality water to Canyon Lake Six, eventually providing a source for Lake Seven. This solution gives the water rights of the stream quality water to the City. Once the future 776-acre Lake Seven is established, the City will pull water out of the lake, clean it to potable standards and utilize it for future residential use.

The Roosevelt Independent School District, of which the facility is located in, approved a Chapter 313 agreement for the company. Furthermore, the project will provide an additional 30 to 50 million dollars to the area with housing and business growth as well as infrastructure improvements. It is also estimated this project will bring more than 900 indirect jobs to the community.

Given the importance of the project, Texas Tech University President Lawrence Schovanec and Vice President of Research & Innovation Joseph Heppert, both of whom had lasting impressions on Leprino's leadership, made themselves readily available for meetings and travel to the company's Denver facility. The Dean of the Davis College of Agricultural Science and Natural Resources at the time, William Brown, along with the Texas Tech University Director of Career Services, Jay Killough, also proved instrumental to landing this project as they work to ensure graduates are aware and connected with the employment opportunities at Leprino upon graduation.

Measurable Objectives

Leprino announced the hiring of 600 full-time positions to staff the 24/7/365 facility with positions ranging from production operations and maintenance to technical engineers and human resources. The total annual payroll at the facility will be more than \$33 million, resulting in an average annual salary of more than \$52,000.

The initial capital investment was estimated to be \$870 million; today, the investment is more than \$1 billion. The project will result in an economic impact of \$12.6 billion over the next ten

years, making this project the largest single private capital investment announced since LEDA's inception, and at the time of announcement, the 12th largest private capital investment project in Texas since the establishment of the Texas Enterprise Fund in 2003.

In addition to the 600 Leprino jobs, at any given point, 650 contractors will be working on the facility. The building is complicated, with more than 300 miles of stainless steel pipe, and it will take more than 4,500 unique contractors over the next three years to build it to be fully operational.

Second Benefits to the Community

Prior to Leprino's expansion, the regional dairy supply was transported for processing, which generated additional overhead costing the dairy farmers more to produce the milk supply. With Leprino's new location, the milk's time to market is shorter, providing the regional dairy owners a direct benefit. Furthermore, this expansion establishes Lubbock, a region primarily known for cotton production, as an epicenter for dairy production in West Texas and Eastern New Mexico.

Following the announcement of Leprino, LEDA's recruitment team received more lead requests than previous years. Ancillary businesses followed the location of Leprino as well as other large-scale operations that had not considered the Hub City previously.

Located in East Lubbock, a historically underserved area, the Leprino project provides residents of the area better proximity to good quality jobs. Additionally, the location will increase commerce in the area and optimize land that would otherwise be used for farming.

As previously mentioned, the company's solution to the disposal of excess dirty water creates an additional source for the city's future water needs. By providing a direct source for the development of Lake Seven, the future plans for city water resources are available faster and at a lower cost to the City.

The addition of high quality jobs creates opportunities for people to improve their quality of life by increasing wages and facilitating professional growth. Additionally, Leprino is active in philanthropic efforts and is committed to giving back to the community.

Lastly, the increase in flight volume between Denver and Lubbock is generating more opportunities for additional leverage with airline providers.