

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: _____



Application for CEDA 2023

OVERVIEW

On May 4, 2023, Mount Pleasant Economic Development Corporation (MPEDC) announced RoadClipper Enterprises, Inc. (RoadClipper) would purchase a deteriorating historical and landmark downtown property to establish its headquarters. The homegrown, family-owned trailer manufacturer is scaling quickly. From 2018 to 2023, RoadClipper grew in employment from 225 employees to nearly 900, with tens of millions of investment in equipment and in 50+ acres of real estate in the City along the way. The company expects to grow beyond 1,200 employees by 2026.

The property purchased by the company, located at 301 N. Madison Avenue, includes an entire city block and some of the most iconic and spacious buildings in the community. The facility's trademark front-facing white paint and stately columns have become a favorite backdrop for local photographers. The property originally belonged to First Baptist Church, being first constructed in the early 20th century.

While the project is an important redevelopment and adaptive reuse project for a fast-growing primary job creator in a rural community, it also benefits the community in other key aspects. These additional elements include developing a hybrid coworking space that integrates the headquarters facility operations for both public benefit and entrepreneurship support, creating a large meeting space and community arts theater (church sanctuary), fulfilling the City's 2050 Comprehensive Plan which was completed in June 2022, and creating public green space in the downtown area.

The journey to successful purchase of the HQ facility required multiple stakeholders, methodical real estate takedowns, and mutual commitment/trust from both private and public sectors.

Project Numbers

- Public commitment: \$2.22 million over 10 years
- Private investment: minimum \$5 million
- Jobs: 75 minimum
- Average Wages: \$60,000 base salary minimum (expected to be closer to \$100,000/year)

INNOVATIVENESS

The first order of business was creating a pathway for multiple business-resource partners to eventually be housed in the same facility to create a one-stop-shop. Over a matter of 2-3 years, this "one-stop" vision evolved into a shared workspace with a Type-A manufacturing headquarters location. That evolution solidified in the past 12 months.

This project was the culmination of a years-long plan by MPEDC to eventually remove nonprofits and government agencies (itself included) off of a high value corner at signaled intersection near Interstate 30 in order to commercialize the corner and ensure highest and best use of that real estate. The Mount Pleasant Chamber of Commerce owned the structure on the corner and held a \$1 per year lease on

City-owned land for 40 years. Immediately adjacent to the Chamber of Commerce and MPEDC facility was a shuttered church in disrepair.

In 2018, MPEDC obtained a verbal commitment from the Chamber Board of Directors to vacate their paid-off facility and move in with the MPEDC in a future consolidated facility. In 2019 and 2020, MPEDC obtained similar verbal commitments from the nonprofit church leadership and owners. In 2021, MPEDC facilitated contractual execution of contracts between the Chamber, the City of Mount Pleasant, and the church with Chick-fil-A for both corner lots. Chick-fil-A broke ground in December 2022 and opened its Mount Pleasant location in June 2023. Since December 2022, the Chamber and MPEDC have been leasing space in temporary locations.

Importantly, MPEDC became aware that RoadClipper began looking for office space for a potential headquarters in mid-2021 (during negotiations with Chick-fil-A) through the EDC's Business Retention and Expansion program. The company was even considering moving outside the city and county (up to a 60 miles away) to achieve appropriate headquarters space. MPEDC notified the manufacturer's leadership of its vision to purchase a ~50,000 square foot facility downtown and perform extensive renovations. Additionally, the MPEDC floated the possibility of an HQ office lease as a Type-A project. The manufacturer fully supported the vision and held off its headquarters plans to allow MPEDC to close on the other contingent real estate deals, including Chick-fil-A, completely on faith and trust in the MPEDC process.

MPEDC also held sporadic meetings with the owner of the 301 N. Madison Avenue, who operated a financial and securities firm at the site, for a potential purchase beginning in mid-2019. Once Chick-fil-A decided to commit to a Mount Pleasant store in late 2021, MPEDC renewed these conversations in earnest, coming to terms in mid-2022 after multiple negotiations and board member involvement.

Throughout 2022, even without full commitments in place, MPEDC began scaling support, holding breakfast/lunch meetings, and conducting tours with community stakeholders at 301 N. Madison Ave, including but not limited to: 1) City Councilors and staff; 2) the Chamber of Commerce; 3) Main Street; 4) Northeast Texas Community College leadership; 5) the city's Small Business Development Center; 6) Downtown business owners; and 7) select longtime community members. With very few exceptions, stakeholders expressed amazement and full support for revitalizing a building that could: a) support all business resource entities; b) land a headquarters operation with highly paid employees; c) house incubator/coworking space for entrepreneurs; and d) catalyze foot traffic, investment, and commercial activity in the Downtown Area.

MPEDC held multiple meetings in Q4 2022 and Q1 2023 with City Council members, who asked that RoadClipper, not MPEDC, ultimately own the facility and conduct the renovations. RoadClipper agreed to take over the real estate proceedings and MPEDC's vision in March 2023. RoadClipper assumed the due diligence, contractual agreements, financial obligations, and architectural groundwork performed by MPEDC. RoadClipper closed on the property purchase in late April 2023. Since then, the company has had architectural and engineered drawings created, which were approved by the Main Street board in June 2023. As part of the deal, MPEDC will have rent-free office space into perpetuity.

TRANSFERABILITY

The following are the transferrable elements of this project for other EDC practitioners across the State of Texas:

- **Carpe Diem and scan for inconspicuous opportunities.** If a Type-A EDC is leasing a facility in an undesirable location or wants to own its own facility, it can begin looking for opportunities to redevelop a site because that process adds value to a community (removes blight and enhances curb appeal) and catalyzes others to make similar investments. The EC should get other community members to think about highest and best use” of real estate. Throughout its own process, MPEDC educated local investors and local businesses on this concept, which was one of thoughtful transformation vs. simply making real estate transactions, as it moved through the stages of garnering project support.
- **Type-A EDCs can put funds towards their own office space**, so if there is political will and desire, that EDC could plan for a grant to supplement (non Type-A portions of a their vision) and create supplemental incubator/coworking/entrepreneurial space and make a larger impact for its community beyond spending funds on office space, which could have bad optics. This is especially critical in rural communities or ones with less than 16,000 population, like Mount Pleasant. Creating shared business space adds immense value in such instances because it does not exist otherwise.
- **Create the future you want.** Participate in, and support, city efforts in its 2050 Comprehensive Plan. MPEDC had a seat at the Comprehensive Plan table and created the very success/performance metrics it would be measured against with visions it already had in the pipeline.
- **Educate. Then educate again**, especially when building consensus with multiple stakeholders. Enhance the EDC’s reputation via in-person meetings, through media, social media, and BRE efforts.
- **Be sure to build “trust collateral” and enjoy the “long game”.** There were numerous, months-long contingencies built into this process that could have killed the deal at any time. MPEDC spent its “trust capital” with City Councilors, large private manufacturers, fellow nonprofits like the Chamber, and multiple individuals throughout this process. The caliber and characters of MPEDC staff and/or board members were often critical to getting to the next stage in vision-to-reality process. EDC’s need to have high value board members and staff in-house. The work EDCs do is too important not to.

COMMUNITY COMMITMENT

Through a 10-year performance agreement, MPEDC is assisting the HQ project with an assistance package valued at \$2.22 million. RoadClipper has not requested any property tax abatements for its headquarters or any of its other major expansion in the City of Mount Pleasant in the last 18 months valued at more than \$30 million. Throughout the process, Downtown merchants also wrote letters of support to City Council. Main Street and the Historical Commission have also approved the project.

MEASURED OBJECTIVES

This economic development project hits a rare trifecta of community benefits:

1. Primary Jobs creation & tax base expansion. MPEDC is a Type-A EDC and this is a manufacturer’s headquarters project.
2. Redevelopment, adaptive reuse, and beautification of a historical downtown site which is strategically aligned to the City’s own adopted 2050 Comprehensive Plan (June 2022), which identified the Downtown Area as its own placetype that exhibited strong nostalgic and community-identity elements according to community surveys. The Comp Plan also emphasized downtown investment and prioritization at the City level.
3. The location & commitment of corporate headquarters. This homegrown manufacturer is growing at 30% per year.

Economic impact for this HQ project in base salaries alone are at least \$4.5 million per year, excluding benefits. In 2018, the company employed approximately 225 employees. Today, that number has swelled to more than 850 and there are no signs of stopping.

SECONDARY BENEFITS

Secondary benefits include redevelopment & beautification of a languishing, vacant facility that has been sitting vacant for years. It will also be the future home of MPEDC, rent free, into perpetuity.

The effort catalyzes & supplements the City's Main Street stated mission to "deploy impactful, cost-effective community revitalization efforts and encourage growth downtown."

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Following COVID workforce migration patterns, the coworking aspect of the new facility is a particularly unique secondary benefit because of the influx in people moving to Mount Pleasant, due to the community's lakes and high quality of life. Mount Pleasant is still largely rural, and while telecommunication and internet investments are being made, offering a broadband hub (with rentable conference rooms and offices) in the heart of the community for business transactions will meet the increased demand for office space. Other prospective companies considering Mount Pleasant have suggested using the coworking spaces as temporary office space as well.

Following are statements made by RoadClipper CEO, Jeffery Crabb, during the media announcement on May 4, 2023, following a successful closing on the property:

CEO Jeffery Crabb said his company made the decision to purchase the downtown facility to fuel the growth and success of its team-members, its customers, and the community.

"This facility will be a key part of our ability to continue attracting high quality people and talent to come and grow with us in Mount Pleasant," said Crabb.

"It will be buzzing with many types of business professionals including marketing, branding, IT, HR, R&D, supply chain, finance, and more," Crabb added. "Plus, we want it to be the nexus for other businesses and entrepreneurs, economic development services and resources, aspiring leaders, and hopefully students and interns too!"

"We will revitalize this iconic and historic building to serve as our corporate headquarters," said Mr. Crabb. "But beyond that, the property will also be a hub for local business and leadership development far beyond RoadClipper and Diamond C. It will be a catalyst for the advancement of our community, which is a win-win for all."

Supporting Links

- Downtown Pages ONLY from City's June 2050 Comprehensive Plan: https://mpcity-my.sharepoint.com/:b:/g/personal/nathan_mpedc_org/ERkzde3eMTpNlmJPa6gsgHcBBxq9w1zsOK-YJFMa9ZyzuQ?e=zkCHXN
- MPEDC Website Announcement Link: <https://mpedc.org/2023/05/08/roadclipper-enterprises-to-locate-corporate-headquarters-in-downtown-mount-pleasant-tx/>