

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 X

NOMINATION:

Name of Community: City of Waco/McLennan County

TEDC Member Name: Kris Collins (individual member, not organization)

Telephone #: 254.757.5635

Email Address: kcollins@wacochamber.com

Community Population (as currently marketed): 280,428

Application Submitted By: Kris Collins, Greater Waco Chamber

Email Address: kcollins@wacochamber.com

Media Contacts: [optional]

Organization: Waco Tribune-Herald Contact Name: Mike Copeland

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Organization: Greater Waco Chamber Contact Name: Leigh Davis

Email Address: Ldavis@wacochamber.com

City of Waco/McLennan County

Community Economic Development Award Application 2023

Prepared by: Greater Waco Chamber

Background:

In February 2022, the Greater Waco Chamber's economic development team responded to an RFI from the Office of the Governor Economic Development and Tourism Department for "Project Gateway Tower", a heavy manufacturing company seeking a new greenfield, rail-served location in the United States.

Shortly after the submission, our team began receiving requests for additional information from the company's consultant and became directly connected with the Graphic Packaging International (GPI) representatives in May 2022 through a virtual site visit. That visit began a 9-month journey through the site selection process, overcoming multiple hurdles, community visits to GPI's sister site in Kalamazoo, Michigan and the cultivation of a strong partnership with the company that ultimately led to the announcement and groundbreaking for GPI's state-of-the-art, \$1Billion recycled paperboard production facility on February 7, 2023.

The project represents both Waco and McLennan County's largest private industrial investment project to date and the largest single investment for GPI in its 100+ year history.

Projects of this magnitude require a tremendous amount of work, coordination, trust, and a coalition of the willing to bring them to fruition.

Hear directly from GPI's CEO, Mike Doss and see the exciting investment underway in Waco by visiting <https://vimeo.com/796569690>.

I. INNOVATIVENESS

The project demonstrates innovation in a variety of ways by leveraging partnerships and tapping into existing economic tools but utilizing them in new ways. Greater Waco's regional approach to economic development is long established with its partnership between the City of Waco, McLennan County and the Waco Industrial Foundation (WIF) bringing government and the private sector together for community building.

The GPI project took the partnership to a new level with the WIF not only providing the land at a discount, but also serving as the financier of the \$25MM in new public infrastructure needed to support the project, including water, wastewater, drainage, natural gas and the construction of a new road. WIF's expenses will be reimbursed over time through the newly expanded Tax Increment Reinvestment Zone. Historically, Waco has utilized its TIRZ specifically for improvements in the downtown area, supporting redevelopment projects and catalyst facilities including McLane Stadium and the new Foster Pavilion. The GPI project represents the first time Waco has utilized the TIRZ to support industrial development. In addition, Waco is providing nearly \$30MM in off-site water system and utility upgrades to support the project. The leveraging of a private partner for financing keeps municipal dollars available to support important projects needed across the community

II. TRANSFERABILITY

The project with GPI provided many opportunities and lessons learned that would be applicable to other communities and economic development practitioners. For this project, the most important and transferable aspects were collaboration and the ability to provide solutions. From the beginning, our public sector partners, utility providers, technical support, higher education and workforce teams and private sector partners were in the room, ready to support the project. When challenges arose (and they did) we worked collectively (even the prospect) towards solutions. Together through this process, we strengthened existing relationships and built a strong sense of trust with the GPI team, that continues during construction and will endure.

Below are a few thoughts others might consider in their own projects:

- Review your property information well and understand any potential impediments along with the solutions needed to resolve them.
- Partners may have solutions and ideas you didn't think of, include them in discussions.
- Bring the right players to the table early in the process.
- Do your research about the company and ask questions if concerns arise (there are always multiple angles and media reporting may not be accurate).
- Building strong relationships amongst community partners reflects favorably on your community and gives the company confidence in choosing your site.
- The creative use of economic development resources can and has provided opportunities for new utilization options within our community for future projects. Small changes can yield impactful results.

III. COMMUNITY COMMITMENT & LEVERAGE

We know incentives can be the difference-maker in a project. Unlike other communities in Texas, Waco does not have Type A or B sales tax funding. Rather, Waco and McLennan County partner to provide funding support for projects through the Waco McLennan County EDC. Incentive support for GPI has focused on infrastructure improvements. The funds utilized to support GPI's project will not only benefit the company, but the infrastructure improvements to be added will also expand the marketability of surrounding industrial properties, increase utility capacity to support expansions by existing businesses, and enhance other nearby areas for future residential development. The following programs are being accessed to support Graphic Packaging's Waco project:

- Chapter 380 Business Grant (20-year term for personal property)
- Tax Increment Financing (reimbursing private sector development of public utilities)
- Waco McLennan County Economic Development Corporation – cash grant to offset rail spur extension and natural gas line extension.
- Creative Financing by the Waco Industrial Foundation acquiring private debt to extend public infrastructure to support the project.
- Freeport Exemptions – the site is double freeport exempt with participation by Waco and McLennan County.

- Texas Enterprise Zone Project Designation
- Skills Development Fund
- Electric service extensions via Oncor
- Waco's reorganization of its Capital Improvement Plan schedule to reallocate \$30MM dollars for off-site water system improvements in support of GPI.

IV. MEASURED OBJECTIVES

- Job creation:** 190 full-time jobs
- Wages:** \$65,000/yr., plus benefits (before overtime, bonuses, etc.)
- Capital Investment:** \$1,026,000,000.00 in new taxable real and personal property.
- Expanded Tax Base:** Over the first 20-years of operations, GPI's investment will generate a more than \$285,000,000 in new property taxes for Waco, McLennan County, McLennan Community College and Midway Independent School District.
- Direct Economic Impact**

According to the Economic Impact Analysis conducted by Impact DataSource, GPI's project will generate the following direct economic impact for Greater Waco:

- \$13MM in annual on-site payroll
- Over \$11MM in annual taxable sales for Waco and McLennan County
- New home construction and the relocation of more than 85 employees and their families to the area.

V. SECONDARY BENEFITS

a. Indirect Economic Impact

According to the Economic Impact Analysis conducted by Impact DataSource, GPI's project will generate the following indirect economic impact for Greater Waco:

- 188 spin-off jobs
- \$9MM in annual payroll
- More than \$750,000 in annual taxable sales for Waco and McLennan County
- New home construction and the relocation of more than 65 people and their families to the area.
- In addition, over the course of construction, there will be more than 1,500 construction workers on-site, many of whom will be occupying hotel rooms, generating hotel occupancy tax dollars and sales taxes for Waco and the surrounding communities through the utilization of local hospitality and service providers.
- GPI's business utilizes recycled cardboard as its primary raw material. The Waco plant will process 550,000 tons of recycled paperboard annually, significantly reducing the amount of paper entering landfills across Texas.

b. New Business Development Opportunities

Graphic Packaging has multiple lines of business that support its recycled paperboard mills. Thinking ahead, it is possible Waco will be home to additional GPI operations, creating new investment, additional growth to the area's tax base, and good-paying quality, skilled jobs for the residents of Greater Waco.

c. Community partnerships

As mentioned previously, this project has been a team collaboration across the board. The commitment of each partner in supporting the company and the community has been exceptional, and but for the coalition of the willing, Waco may not have been the final location for this project.