

This application is for the Texas Economic Development Council's 2020 Community Economic Development Award. After a months-long search spanning multiple states and cities in Texas, the City of Cibolo was successful in recruiting Aisin AW Co., Ltd. (AW Texas). AW is based in Anjo City, Aichi, Japan, and was founded in 1969. It has developed as a leading manufacturer of transmissions adopted by car manufacturers around the world. At its new Cibolo location, AW Texas will produce around 200,000 automatic transmissions per year.<sup>[1]</sup> In line with the new plant construction, capital investments up to \$400 million and new employment of approximately 900 people are planned in five years up to 2023.

### **INNOVATIVENESS**

The work to recruit AW Texas demonstrated an innovative approach to business recruitment and a truly regional partnership to attract a major industrial user. Indeed, many were surprised to hear that a small town was able to recruit such a prestigious international company to make a substantial investment in the community. The Cibolo team worked creatively to secure highway funding, to locate a property that was readily available, to pass a bond to support road improvements around the site, to bring on the workforce development experts to discuss labor, and to show the City's can-do attitude towards business recruitment.

The presence of a major automotive parts manufacturer in Cibolo is a catalyst for future development along IH-10 and contributes to the State of Texas' expanding role as a manufacturing and automotive powerhouse.

### **TRANSFERABILITY**

A project of this magnitude requires staff to be connected at all levels of government, non-profit, and private organizations. Capitalizing on the importance of securing AW Texas, the City of Cibolo staff was able to strongly advocate for funding to be awarded to improve IH-10. To date, \$150 Million has been announced by TxDOT to be directed to road improvements necessary to support such a large project. The City also worked step-by-step with the local electric cooperative, Guadalupe Valley Electric Cooperative (GVEC), who pledged to bring all utilities to the site. This partnership with GVEC helped secure the deal.

In addition, leveraging intergovernmental assistance from the local, state, and federal levels has been very beneficial to AW Texas. Frequent discussions were held with officials from Guadalupe County to secure financial incentives and road improvements to ensure safe access on and off the property. City staff has provided AW Texas with a conduit to communicate with and have access to officials in the U.S. House of Representatives & U.S. Senate and the Office of the Governor of Texas. Establishing these key relationships can be successful for other recruitment endeavors in Cibolo and other cities.

The partnership between AW Texas and the City of Cibolo is one with a solid and deep appreciation for one another. The City is committed to support the success of AW Texas, not just during the recruitment phase, but for many years to come as they grow and expand in Cibolo.

### **COMMUNITY COMMITMENT AND LEVERAGE**

As has been demonstrated through the answers above, the City of Cibolo brought the community in from the beginning of the recruitment process. This was key to ensuring successful attraction. Staff worked to bring together representatives from the local electric cooperative, the rural water provider, county government, regional college district, and workforce development board. City staff also worked closely with the economic development foundation for San Antonio to present a true regional approach to recruitment. Financially, the City created a Reinvestment Zone and offered a Chapter 312 Abatement Agreement and Chapter 380 Agreement beginning with a 75% abatement and stair-stepping down throughout the period.

This site in Cibolo also had many positive attributes to leverage and distinguish itself from other sites across the country. It provides easy access to the Toyota manufacturing plant in San Antonio via major highways and thoroughfares. It is near enough to Toyota to provide quick deliveries of finished products, but it is far enough away that the two entities will have separate labor pools. Cibolo and Guadalupe County boast a robust, young, highly-skilled workforce. The site was a greenfield with a lack of any detrimental land uses around it which allowed AW Texas to mold the property into exactly what it needed. As the company looks to expand into a second and third phase, the location offers ample room to grow.

## **MEASURED OBJECTIVES**

The AW Texas project is currently under construction. The initial investment is committed to bringing \$400 million in capital investment and 900 jobs. Future phases are expected to bring up to \$690 million in investment and 1,584 individuals with \$67.2 million in payroll.

AW Texas upper management will be locating to the area and purchasing quality housing for their families, as well as join social and community involvement. The quality of education provided through the Schertz-Cibolo-Universal City ISD, Marion ISD, and private schools provides their children with a high level of classroom instruction preparing them with the skills and ability to pursue higher education or limitless career opportunities.

AW Texas will become the largest employer in Cibolo when it opens. Manufacturing has an estimated \$40 billion economic impact on the region and automotive manufacturing employs nearly 43,000 people across Texas. The growth in the industry will continue to have a positive impact on regional and state-wide economies, bringing high-tech jobs to the area and elevating workforce skills.<sup>[2]</sup>

## **SECONDARY BENEFITS**

The decision by AW Texas to locate to Cibolo provides a real example that Cibolo is open for business and can land big deals. Their recruitment and success demonstrate to others that there are real business opportunities in Cibolo. After the announcement of AW Texas and the subsequent beginning of construction, the Cibolo Economic Development Corporation has received increased interest from prospects looking to locate in Cibolo or near the AW Texas site along IH-10. This will support additional growth towards the south of the city for years to come.

Companies such as AW Texas support communities not just directly through jobs and property tax, but also by boosting consumer confidence with purchasing goods and services, increasing housing sales, and supporting youth activities and civic organizations.

The benefits are not only for Cibolo, though. Surrounding cities are also counting on growing populations as a result of the coming business. To accommodate a population that could double, Victor Contreras, the mayor of neighboring Marion, said, "I'm envisioning more homes in our area, but also more commercial businesses." He expects more property tax and sales tax revenues that are needed by smaller communities in the surrounding area.<sup>[3]</sup>

Overall, bringing AW Texas to Cibolo offers a new branding and identity to the area. The jobs and capital investment will have a positive impact for many years to come and help lead the way for future development.

[1] News4SanAntonio, Article November 4, 2019.

[2] Assembly Magazine, Issue November 5, 2019.

[3] KSAT12, Article November 4, 2019.