

TEDC 2022 CEDA APPLICATION

All Applications Must Be Received by August 19, 2022

The 2022 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: _____

SUBMITTED FOR:

- | | |
|---|--|
| <input type="checkbox"/> Business Retention | <input type="checkbox"/> Business Attraction |
| <input type="checkbox"/> Business Expansion | <input type="checkbox"/> Community Involvement |

SUMMARY REVIEW

Please attach a brief description of the economic development efforts and accomplishments of the project or program (specific to the project or program for which you are submitting the application). Within this description, address the awards criteria of innovativeness, transferability, community commitment, measured objectives and secondary benefits. The narrative portion of the application is limited to four (4) conventionally formatted 8.5" x 11" pages. Please also submit up to five (5) digital photographs (jpeg) to amy@texasedc.org. The photos must be submitted with the application form. The photographs will be presented during the CEDA luncheon at the TEDC's 2022 Annual Conference.



This application is for the Texas Economic Development Council's 2022 ***Business Expansion Award***.

As a public-private partnership, the Greater San Marcos Partnership (GSMP) is a 501(c)6 nonprofit that serves as the regional economic development organization for Hays and Caldwell Counties and the communities within them, branded as the Texas innovation Corridor. The communities in the Texas Innovation Corridor include the cities of Buda, Dripping Springs, Kyle, Lockhart, Luling, San Marcos, Uhland, and Wimberley.

For this entry, GSMP is submitting the expansion of **Iron Ox**, a robotics- and artificial intelligence-powered agriculture producer which grows sustainable food via indoor hydroponic farming.

With construction on the expansion commenced in April 2022, GSMP secured one of the most significant developments in Texas Innovation Corridor history and the largest industrial facility in Caldwell County by utilizing innovative practices, creative problem-solving, and top-notch customer service.

Innovativeness

This specific expansion project, which came directly to GSMP by way of a previously built relationship, required special considerations due to the size of the project and the proprietary technologies involved with the company.

Iron Ox's original site in Lockhart, a 535,000 square foot facility that brought more than \$10 million in capital investment and more than 100 jobs, broke ground in 2021 and opened in April 2022. Already a significant industrial facility in Lockhart's history, growth was imminent for the agricultural company as they secured major contracts with H-E-B and Whole Foods.

For several months, GSMP worked with community leaders, workforce talent pipeline representatives, land developers, and company representatives to build an ideal solution for Iron Ox's expansion efforts. Utility providers partnered with company leaders to create new water, sewage, gas, and electric lines for a previously undeveloped greenfield. Local officials entered into a tax incentive agreement to ensure the execution of Iron-Ox's project funding. This development not only allowed for Iron Ox's facilities to be built but also developed a new industrial region within Lockhart, providing new infrastructure for additional business growth.

This over-the-top customer service effort resulted in Iron Ox breaking ground on a \$120 million expansion on 85 acres in Lockhart, significantly increasing the company's original investment.

Transferability

The core elements of GSMP – transparency, adaptability, and community collaboration – are replicable and adaptable to other communities. By utilizing these core elements for this project and many others, GSMP has successfully worked with the public and private sectors to facilitate economic development and generate a unified buy-in with regional stakeholders.

One of the other transferable aspects of this project is top-notch customer service. GSMP served as the turnkey concierge for Iron Ox throughout the site selection process, including locating a site, developing relationships with regional stakeholders, and responding quickly to the project's needs.

Unifying our mission with stakeholders, we succeeded as an EDO and in laying the groundwork for other EDOs that may take this same approach.

Community Commitment and Leverage

Company representatives at Iron Ox cited Lockhart's location in Central Texas as its top factor in expanding in the region, with access to a diverse workforce, collaboration with higher education institutions, and intelligent tax incentives serving as additional factors.

With proximity to State Highway 130, Iron Ox's new expansion allows production and shipping within four hours of 75% of Texas's total population. The land available in Lockhart also served as a significant benefit, offering 85 acres of greenfield in an accessible region for the company.

Additionally, with connections to Texas State University in nearby San Marcos and the University of Texas in nearby Austin, Iron Ox chose to expand in Lockhart because of the abundance in the workforce pipeline from those universities. Collaborative research opportunities with university labs and the organization's ability to supply workers for various jobs significantly contributed to the expansion location.

Finally, for this project, Chapter 380 tax incentives were used to bring the project to the finish line. Under the agreements, the company will create at least 28 full-time equivalent jobs at an average salary of \$32,000 plus benefits, invest more than \$120 million into the site, and construct new utility infrastructure to support future growth in the city. Iron Ox will receive an estimated \$1.5 million in property tax abatements over five years and up to \$200,000 in reimbursements for water and wastewater utility construction. The company will also receive \$25,000 for sidewalk construction along Blackjack Street near the site.

Measured Objectives

On top of the 100+ jobs already provided by Iron Ox and the 28 jobs expected in the expansion, Iron Ox will provide an expected \$11.7 million in additional property taxes to the city of Lockhart over ten years.



Additionally, the expansion will allow for a wider variety of products, including strawberries, spinach, and herbs. Additional capital investment and growth phases will follow on the company's facility as operational plans advance.

Secondary Benefits

The presence of Iron Ox has served as a significant attractor for other tech-driven agriculture and food production facilities in Hays and Caldwell Counties. In nearby Kyle, Infarm (a German-based indoor farming company) began construction on its second-ever U.S. location with a 73,000-square-foot facility in Plum Creek Industrial Park. The company plans to have up to five additional facilities for 500,000 square feet of space in the country.

Additionally, other food production companies have developed locations in the Texas Innovation Corridor following the success of these agricultural companies. These new food production companies include examples such as Hershey's Ice Creams and the Ziegenfelder Company in Lockhart; Outer Aisle in Kyle; and Texas Sausage Company and Jardine Foods in Buda.

With six more weeks remaining in fiscal year 2022, GSMP has achieved a record \$115+ billion prospect pipeline, thousands of new jobs, and more than two billion dollars in new capital investment into Hays and Caldwell Counties thanks to projects such as Iron Ox's expansion.