



## TEDC 2024 CEDA APPLICATION

All Applications Must Be Received by August 16, 2024

The 2024 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 awarded to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying. In addition to CEDA by population, applicants will be considered for five criteria awards such as: Innovativeness, Transferability, Community Commitment & Leverage, Measured Objectives and Secondary Benefits.

- 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: Kilgore, Texas

TEDC Member Name: Lisa Denton (individual member, not organization)

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Community Population (as currently marketed): 13,500

Community/Organization Linked-In Profile: linkedin.com/company/kilgoreedc/

Application Submitted By: Lisa Denton

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### Media Contacts: [optional]

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# Kilgore keeps jobs, key producer through Keeprite expansion

Keeprite Refrigeration's Longview, Texas, operation was established in 2008 with 18 employees. Working in collaboration with its Canadian sister-branch, the local arm of the 79-year-old company has become the nation's leading commercial refrigeration manufacturer, positioned at the forefront of the industry in North America with more than 200 professionals on its roster. Following a previous expansion in 2017, the company found itself landlocked in 2023 – its leaders considered relocating to Mesquite or a similar metropolitan area. Facing the very real prospect of losing this major employer, the combined efforts of local economic developers and partners reminded the company the right opportunity was close at hand in Kilgore's Synergy Park.

A year and many negotiations later, Keeprite's future was centered on Lot 22 on Alliance Way in Kilgore Economic Development Corporation's flagship business park. With a sprawling agreement landing in September 2023, Tersco Property Management closed on the 70.4-acre tract in April followed by a groundbreaking on the Keeprite facilities that will occupy the bulk of the space.

This marks another Kilgore EDC venture that retains a major manufacturer in East Texas. In a significant collaborative effort with Longview Economic Development Corporation (LEDCO) and other stakeholders, the project brings all Kilgore-area taxing entities to the table to help secure a minimum (initial) real and personal property investment of \$55 million along with scores of new full-time jobs for workers in the surrounding area. Various positive impacts from the retention-and-expansion include an estimated 333 positions (direct and spin-off) across a 10-year period along with almost \$122 million in salaries. Nearby taxable sales and purchases are estimated at \$10.5 million in 10 years, and the local community will likely welcome 60-plus residents between new hires and relocations.

This late-2023 development marked a significant investment for the entire region – plans for the initial phase of the project include a facility of 470,000-plus square-feet ahead of already-developing expansions in years to come that will eventually encompass more than 1 million square-feet.

Both a key retention and substantial expansion, the Keeprite Refrigeration project was made possible through a variety of economic development innovations and decades of laying the groundwork for growth. It capitalizes on decades of strategic site development, innovations in negotiations, and years of cultivating numerous regional partners to ultimately yield significant measurable gains in jobs retained, jobs created, and product manufactured. With this major step forward, even with its tax abatement Keeprite is poised to generate a minimum estimated \$10.8 million in property tax revenue in the coming decade following its relocation and expansion into Kilgore – without severing ties to its former home in Longview.

Working closely with LEDCO and local taxing entities for Keeprite's vision, KEDC is facilitating a seamless transition to retain a significant employer and producer. It's not a unique venture but, rather, one that can be replicated across Texas by EDCs that have made the effort to position the organization and its partners to fuel growth. What started as a common obstacle – a thriving company facing stagnation because of its landlocked state, a region facing the looming loss of a major employer if no growth solution could be found – is now a template other entities can follow by taking proactive steps, crafting opportunities, and utilizing robust economic relationships and resources to take strategic steps for growth.

## INNOVATIONS FOR SOLUTIONS

The Keeprite Refrigeration retention and expansion project is rooted in strategic planning and collaboration, using previously-cultivated partnerships and resources to prevent the likely loss of a major regional producer. The company considered Kilgore for expansion in 2017 but opted instead to expand their existing site on FM 2011 in Longview. It was a workable solution, but one with an expiration date – considering the operation’s steady growth, the available space on that property was steadily being consumed. After six more years, Keeprite was at an impasse, and amid developing plans to leave East Texas for Mesquite, the operation’s focus was turned back to a proven asset: previous interactions with Kilgore EDC highlighted the organization’s professionalism, responsiveness, and attention to detail, just a few critical areas where KEDC staff excels. Drawing on those strengths at KEDC, Keeprite came to fully appreciate the potential opportunities in Synergy Park, Kilgore’s 672-acre Class A, campus-style business park.

**A cornerstone of the Keeprite expansion project was the long-cultivated opportunity of Kilgore EDC’s Synergy Park. The 672-acre Class A, campus-style business park had long since been primed to welcome new and expanding businesses, a welcome refuge for a landlocked operation and an immediate solution to keep a healthy operation from leaving the area.**

Through critical negotiations and the collaboration of multiple partners, Keeprite’s decision to relocate to Synergy Park was a healthy development for the company and for the region, and key easements were cleared on its chosen lot by Fall 2023. The developing move exemplifies innovative problem-solving and strategic foresight by addressing the spatial constraints of their current operations while capitalizing on Kilgore’s development-friendly environment.

Innovation in collaboration was essential as well. The ongoing, healthy relationship between KEDC and LEDCO provides a sturdy footing for the commercial refrigeration manufacturer’s expansion. Communication was key, emphasizing a shared attitude that ‘We do not poach’ industry in the region. When a company is unable to expand where located, EDCs can work together to retain critical jobs for the area. Ultimately, the cooperation between ‘competing’ organizations ensured the retention of a major employer within the region (rather than losing it to Mesquite or another market) and enabled the local neighborhood to save 150-plus full-time positions at a primary employer paying competitive wages and benefits – plus, the addition of 60 jobs over the term of Phase I. At the same time, as Keeprite will retain ownership of their current facility (positive news for Longview) it indicates potential future growth for the company. This overall approach underscores the commitment to regional economic stability and the importance of inter-community coordination. By working together, Kilgore and Longview have set a precedent for how economic development organizations can better achieve shared goals and embrace joint opportunities.

The development of the new Keeprite facility at Synergy Park innovates further in a fresh blend of work and leisure space. A request by Keeprite Refrigeration Executive Vice President Frank Xu, facilitated through Kilgore EDC’s flexibility and focus on service, saw the economic development corporation engineer a 10-acre set aside to the overall plan. Keeprite’s coming facility is designed to include a mile-long walking trail within the 10-acre employee green space along with sports and exercise facilities, embodying the company’s commitment to a people-centric workplace. For Xu, it enables employees to be healthier, to entertain themselves and others, and to better enjoy their lives. This people-centric approach not only enhances the work environment but also reflects Keeprite’s commitment to employee well-being and community integration, supported and executed by KEDC.

## TRANSFERABILITY

The Keeprite project serves as a common sense model for other economic development agencies, demonstrating how regional collaboration can lead to mutually-beneficial outcomes. The principles of cooperation, strategic site development and selection, and integrated progress can be readily ported to other communities facing similar challenges.

This project’s success was made possible by unified support from all Kilgore-area taxing entities, including the city, county, college and school. These entities came together to offer a comprehensive package of incentives (such as tax abatements, tax rebates, and freeport exemptions) which were instrumental in securing Keeprite’s commitment. The City of Kilgore and Kilgore College initially awarded abatement incentives to Tersco Property Management / Keeprite Refrigeration; Gregg County joined in with more rebate-based tax incentives in Fall 2023,

moving the project forward. Kilgore ISD participates in freeport exemptions. Additionally, Kilgore College will play a further, vital role in providing workforce training for the high-demand refrigeration jobs that the new facility will bring, leveraging local resources for greater community impact.

The comprehensive incentive package (including cash and land incentives from KEDC in addition to the various tax abatements, tax rebates, and freeport exemptions) demonstrates effective use of available tools to support large-scale investments. Other economic development organizations can replicate this strategy to attract significant investments and create high-quality jobs in their communities.

**Unified support from all Kilgore-area taxing entities ensured a comprehensive package of incentives, showcasing the broader community's dedication to economic development.**

Meanwhile, communities across Texas and beyond can utilize KEDC's approach to mitigating site-specific challenges. The process of clearing title exceptions and abandoned pipelines common in East Texas showcases a proactive method of risk management. This aspect of the project is particularly relevant for communities dealing with similar historical land use issues, providing a blueprint for how to overcome such obstacles to attract and retain businesses. In fact, KEDC maintains a dedicated Drill Lot within Synergy Park to ensure companies that locate in the park are not encroached upon by long-term mineral leaseholders.

The project's success in leveraging local educational resources, particularly Kilgore College, for workforce training further underscores its transferability. By ensuring the local workforce is equipped with the necessary skills to meet the demands of the expanding Keeprite operations, this partnership serves as a valuable example of how educational institutions can play a critical role in supporting economic development initiatives across multiple industries.

## COMMUNITY COMMITMENT & LEVERAGE

Clearly, the unified support from all Kilgore-area taxing entities was crucial in securing the Keeprite Refrigeration retention and expansion project. This collective effort ensured a minimum real and personal property investment of \$55 million and the creation of 60 new full-time jobs, in addition to retaining 150-plus existing positions.

KEDC's commitment to the project extended beyond traditional incentives, playing a key role in assisting Keeprite with easements and risk mitigation associated with abandoned pipelines. This level of support underscores KEDC's dedication to ensuring a healthy business environment, anticipating and addressing specific needs to facilitate projects' success now and in the future.

Across communities, the project highlights the importance of workforce development. It's an ongoing pursuit between Kilgore EDC and higher education partners like Kilgore College, where training for high-demand refrigeration jobs is a specific boon for Keeprite. Myriad industries continue to benefit from KEDC partnerships focused on equipping the local, growing workforce to meet industries' needs and opportunities now and in years ahead, enhancing the community's overall economic resilience.

**With a minimum investment of \$55 million and an estimated \$10.8 million in property tax revenue over the next decade, the Keeprite project significantly contributes to the economic landscape in East Texas – while simultaneously ensuring that growth isn't lost to another region.**

With the Keeprite project's design also featuring significant investment in employee well-being through its 10-acre green space recreation area, the development will have a ripple-effect benefit on local quality of life in Kilgore and the surrounding area. A growing focus on creating people-centric workplaces can have a positive impact on numerous other operations, steadily improving employee satisfaction and productivity while elevating the surrounding communities.

The collaboration between KEDC and LEDCO effectively leverages regional resources, practical and personal. By working in tandem, these organizations are able to retain a major employer in the region, preventing the loss of critical jobs to another area and while investing further in long-term economic stability.

## MEASURABLE PROGRESS

In addition to the figures above, The Keeprite project achieves several specific objectives that underscore its value to the broad community of East Texas. The retention, relocation, and expansion includes a substantial initial investment of more than \$55 million in addition to an initial estimated \$10.8 million in property tax revenue across the next decade – actual returns will be even more lucrative.

Employment impacts are another critical measure of the project's success. The agreed retention of more than 150 full-time positions and the creation of 60 additional jobs (Xu estimates the actual impact will be substantially more) enhances the local economy by providing stable, well-paying employment opportunities. This job growth not only benefits the employees and their families but also stimulates local businesses and services. Overall, anticipated gains from the development include an estimated 213 direct jobs over a 10-year term plus 119.8 spin-off positions – almost 333 in total. Salaries during that same 10 years will total an estimated \$121.94 million, between both direct positions and spin-off.

**Kilgore College's role in enhancing local workforce training for high-demand refrigeration jobs will have a quantifiable impact on the local workforce, better-equipping current and future employees to not only Keeprite's needs but in a variety of other industries as well.**

The commercial refrigeration manufacturer's production output is expected to significantly increase through the larger facility, while the project's phased approach allows for sustained growth and continuous contribution to the community's economic vitality. The construction of the initial 470,000-plus square-foot facility, with plans to expand to over 1 million square feet in subsequent phases, demonstrates the project's scalability and potential for further economic impact. The estimated taxable sales and purchases for the City of Kilgore will total approximately \$10.5 million in the first decade. The community can also expect a related population increase – 17 workers are expected to move to Kilgore along with an anticipated 44 new residents.

Additionally, the project's emphasis on sustainability and environmental stewardship through the development of green spaces and recreational facilities contributes to the overall quality of life in Kilgore. Harder to measure but no less important, these efforts align with broader community goals of promoting health and well-being, making the project a comprehensive success on multiple fronts.

## HAVING A BROAD EFFECT

The Keeprite project produces several ancillary benefits that extend beyond immediate economic impacts. In addition to employment opportunities for more and more local workers alongside a green space that fosters a sense of community and enhances quality of life, the presence of another major industry leader like Keeprite in Kilgore positions the city as a hub for technical innovation and advanced manufacturing that will fuel healthy growth for years to come. It's yet another Kilgore EDC effect that attracts further investment and stimulates interest from other businesses looking for a supportive and dynamic environment.

The project simultaneously reinforces the importance of regional partnerships and sets the stage for future endeavors. The successful collaboration between Kilgore and LEDCOs sets a powerful example of how communities can work together to achieve shared economic goals while ensuring their respective bases see tangible results. This cooperative spirit can inspire similar efforts across the state, leading to broader regional economic benefits.

The project's success heightens the visibility of Kilgore as a prime location for business development. This increased profile can lead to additional opportunities for economic growth as other companies look to Kilgore as a model of a supportive, pro-active, and business-friendly environment – the Keeprite Refrigeration expansion project is a testament to Kilgore EDC's strategic vision, innovative approaches, and unwavering commitment to expansive community development.