



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: _____

TEDC Member Name: _____ (individual member, not organization)

Telephone #: _____

Email Address: _____

Community Population (as currently marketed): _____

Community/Organization Linked-In Profile: _____

Application Submitted By: _____

Email Address: _____

Media Contacts: [optional]

Organization: _____ Contact Name: _____

Email Address: _____

Organization: _____ Contact Name: _____

Email Address: _____



Huhtamaki Retention and Expansion Project

On August 16, 2023, Huhtamaki announced the retention and expansion of its Paris facility. This project will retain 200 jobs, create 80 new jobs, and generate a total investment of \$85 million.

Background

Finland-based Huhtamaki employs approximately 4,100 individuals across 18 manufacturing facilities in North America: 17 in the United States and 1 in Mexico. As a leading industry manufacturer, Huhtamaki specializes in packaging for consumer-packaged goods, tableware, cups, folding cartons, containers, carriers, trays, and service ware for the food service and retail sectors. The Paris facility was established in 1972 and currently employs approximately 200 employees dedicated to delivering top-tier products and service excellence to quick-service restaurant clientele.

Project Overview

The Paris Huhtamaki Plant was not only competing for this significant expansion but also at risk of relocating altogether, costing Lamar County a combined loss of 280 jobs. The project underwent rigorous competition with other states, such as Oklahoma and Alabama. The PEDC, in collaboration with Paris Huhtamaki Plant Leadership, demonstrated relentless efforts to position Paris as the preferred location for Huhtamaki's expansion. This effort included offering competitive abatement rates, land acquisition, infrastructure improvements, and incentives, ultimately securing Paris, Texas, as the site for Huhtamaki's expansion.

On June 15, 2023, an incentive agreement was executed between the Paris Economic Development Corporation (PEDC) and Huhtamaki to retain their Paris facility (200 jobs) and facilitate the company's expansion, creating 80 new jobs in the next three to five years. The PEDC provided substantial support through a \$376,000 land grant and \$625,000 infrastructure grant dedicated to property and land development. Additionally, the PEDC presented and received approval from the County and City for 10-year de-escalating tax abatements to the support project. The PEDC also submitted a letter of support for Huhtamaki's application to the Texas Enterprise Zone Program, which was approved in February 2024. The PEDC and Huhtamaki publicly announced the expansion in August 2023, with their groundbreaking ceremony on December 23, 2023. Construction for this expansion began in quarter 1 of 2024.

Project

- **Competitive site selection process (preference South/Southeast)**
- **Retention and Job Creation**
 - Current positions retained 200 employees
 - 80 new full-time positions (anticipated over three years)
 - Specialized employee training
- **Potential New Capital Investment**
 - \$80M-\$90M total new capital investment
 - \$55M-\$60M real property, \$25M-\$30M personal property

Innovativeness

Site Challenges / Current Detriments

- No Access to Four Lane Highway
- Singular road access for shared traffic
- Rail access
- Project costs
- Limited acreage for expansion on the current site

The Huhtamaki Paris site had many challenges, including no access to four-lane Loop 286 for logistics, resulting in shared trucks and employees on a two-lane city road needing improvements. To gain access to Loop 286, the company would need to acquire land with access to the highway. The PEDC initiated contact with the adjacent property owner, which led to negotiations and the acquisition of land connecting Huhtamaki's property to Loop 286. The PEDC also coordinated with TXDOT to ensure a driveway could be installed on the land abutting Loop 286. Following garnering approval from TXDOT and negotiations with the landowner, the PEDC closed on a 25-acre site as part of the Huhtamaki incentive package to support traffic flow and logistic challenges.

Huhtamaki was also in need of a rail spur for this expansion, which would increase project costs. To further support Huhtamaki's needs, the PEDC offered \$625,000 in cash to offset the rail spur's cost to Huhtamaki's site. This incentive addressed challenges for rail access as well as overall project costs.

At the onset of this project, the PEDC formed and led a local team comprised of the PEDC, Lamar County, City of Paris, ATMOS Energy, Oncor Electric, Kiamichi Railroad, the Texas Department of Transportation, and Paris Junior College to secure this expansion project - an \$85 million investment and 80 new jobs. This ultimately resulted in retaining the Paris Plant and 200 existing jobs in Paris, Texas.

The incentive package that secured this retention and expansion project included a 25-acre parcel connecting the facility to four-lane access, an infrastructure grant dedicated to rail connectivity, an enterprise zone program award, de-escalating tax abatements with both the County and City, and an estimated \$500,000 in Skills Development funding. While the project faced many challenges, the PEDC's innovation and approach to successfully negotiating the land acquisition were defining contributors to landing this win.

The Huhtamaki expansion in Paris would not have happened without the PEDC's leadership and innovative approach to addressing the challenges we faced throughout this competitive site selection. Their coordination with stakeholders, seamless communication, and creative solutions were key to the success of this project
– Adam Routon, Huhtamaki Plant Director of Paris, Texas.

Transferability

The structure of this project is transferable to other communities, beginning with the formation of a strong team and continuing through creative solutions, real estate acquisition, and incentives that bridge gaps for companies that provide primary jobs. This project started with a routine site visit as part of the organization's Business Retention and Expansion efforts, programming most EDCs should have in place.

A key driver in the success of this project was the PEDC-led collaborative effort with all key stakeholders involved. The PEDC served as the communication hub for all parties involved to ensure clear communication, leverage incentives, provide consistent updates, and be an ambassador for the company and community. The incentives offered by the PEDC were provided under the Type A EDC legislation and the County and City tax abatements

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under Chapter 313 government code. Texas Enterprise Zone Program and Skills Development funding also played a major role in securing this project.

Community Commitment and Leverage

The community's commitment to this project is evident through the support of the PEDC in nearly \$1 million in funding allocations, the County and City's support of 10-year tax abatements, and the offer of \$500,000 in Skills Development funding. Aside from the financial support, countless hours were spent by PEDC staff and board members in negotiations, meeting with company executives, and working with local team members such as the County, City, landowners, railroad, and workforce partners.

The community commitment to the company has been shown in various ways over the years, from routine site visits by the PEDC to special recognition from the County, City, and PEDC for milestones such as Huhtamaki's 50th anniversary and PEDC's Industry of Year award in 2013.

Measurable Objectives

This project will result in 200 jobs retained and \$85 million in new capital expenditures in our region, 80 new jobs in our community, and \$4.3 million in total new direct payroll.

Jobs and Payroll

Direct Jobs Created or Retained	280
Direct Payroll Created or Retained	\$15 Million

Capital Investment

Value of New Construction	\$55 Million
Value of New Equipment	\$30 Million
TOTAL CAPEX	\$85 Million

The project directly and indirectly supports 415 jobs in the local economy and \$20,244,741 in annual payroll in the local economy.

Secondary Benefits to the Community

Over the next ten years, the total economic impact will be \$1.45 billion in capital investment, jobs, payroll, output, and tax revenues for the company, as well as secondary impacts on other local businesses.

Tax Revenue (direct and indirect)*

Local Taxes

Total Tax Revenue	\$12 Million
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Over a ten-year period, the retention and expansion of Huhtamaki's project is anticipated to generate an estimated \$12 Million in city, county, and school district tax revenue.

Huhtamaki and its employees have proven to be strong corporate citizens who make Paris and Lamar County better through support for local charities and nonprofit organizations.

Huhtamaki currently supports the community in the following ways:

- CASA for Kids
- Relay for Life
- Habitat for Humanity
- Child Advocacy Center
- NAACP
- Paris Police Association
- Tailored Rides
- Education Foundations of Local Schools
- PJC Mechatronix steering committee
- NE Texas Workforce Board
- Greenwood Baptist Cemetery
- First Responder Scholarships

Greenwood Baptist Black Cemetery is located northwest of Huhtamaki's current site. This cemetery has been landlocked for many years, forcing visitors to park off-site and walk across Huhtamaki's property to access it. Huhtamaki has purposefully positioned its new road (granting access to Loop 286) with this historic cemetery and its visitors in mind. The planned roadway will provide accessibility to the property, which has graves dating back to 1901 and older.

From our Director

On behalf of the Paris Economic Development Corporation, I extend our heartfelt gratitude for granting us the opportunity to submit our proposal for this prestigious award.

Please do not hesitate to contact me at (903) 784-6964 if you have any questions.

With Regards,



Maureen Hammond
Executive Director
Paris Economic Development Corporation