2017 CEDA APPLICATION

All Applications Must Be Received By August 18, 2017

The 2017 TEDC Community Economic Development Awards (CEDA) will be presented during TEDC's Annual Conference Award's Luncheon on October 19, 2017, in Houston, Texas. The recipients 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).

I. Population less than 10,000
II. Population of 10,001 to 20,000
III. Population of 20,001 to 50,000
IV. Population of 50,001 to 100,000
V. Population of 100,001 to 250,000
VI. Population of 250,001 and above

NOMINATION:

Name of Community: ____________________________________________________________

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

Address: ____________________________________________________________

Telephone #: ___________________________ Fax #: ____________________________

Email Address: ________________________________________

Social Media Accounts:

Twitter Handle: ________________________ FaceBook Page: __________________________________

Community Population (as currently marketed): ______________________

Application Submitted By: ____________________________________________________

Telephone #: ___________________________ Email Address: ___________________________

Media Contacts: (limit 3)

Organization: __________________________________ Contact Name: _______________________

Email Address: ____________________________

Organization: __________________________________ Contact Name: _______________________

Email Address: ____________________________

Organization: __________________________________ Contact Name: _______________________

Email Address: ____________________________

SUBMITTED FOR: (CIRCLE ALL THAT APPLY)

Business Retention Business Attraction
Business Expansion Community Involvement
Round Rock, Texas believes a healthy economy contains a diverse business base which supports its economic vitality. One of the primary benefits of diversification is if one business fails, the effect on the overall economy will be minimized. Leaders in Round Rock consider economic diversity to be an essential development goal. One which protects the economic viability of all businesses in Round Rock, mitigates economic risks, and enables new growth opportunities.

With this in mind, Round Rock targets industries and projects to help build and support a growing diversified community, and in 2015 Round Rock began its efforts to attract the world’s largest package delivery and provider of supply chain management solutions, UPS.

**Landing a Global Giant**

United Parcel Service (UPS) is currently building a new distribution facility on approximately fifty acres near S.H. 45 and A.W. Grimes Boulevard in Round Rock, employing at minimum around 720 employees at a $70-80 million facility. The building is expected to open at the end of 2018.

UPS worked with Opportunity Austin to locate a site for a new distribution center in Central Texas. The project, Project Deliver, was presented to several communities and went through a pretty exhaustive process, so it was important for Round Rock to showcase itself in the best light possible. Round Rock eventually separated itself from the pack and began moving forward with UPS.

Round Rock prepared a presentation which included site options for UPS. However, Round Rock had one particular site in mind, which they believed to be the best option for UPS. Ultimately, UPS officials chose another option from the sites presented. As the project advanced, Round Rock and UPS believed they had reached a decision on the “perfect” fifty acre site. However, during the decision-making process, time had elapsed, and Round Rock had attracted another prospect who was also interested in the same tract(s) of land. The new prospect was considered an “ideal” user for the site in question. Thus, leaving Round Rock with a decision to make: (1) they could either forgo moving forward with UPS, (2) forgo moving forward with the new prospect, (3) or work out a solution to retain both companies.

UPS is one of the world’s largest companies and they are known to be a great corporate citizen; giving to charitable organizations, participating in community partnerships, and energy conservation programs. Losing UPS was, therefore, not an option city leaders were willing to consider. The new prospect was also thought of as a strong community partner and would help to complete a vision which had long
been a focus for Round Rock, “The Sports Capital of Texas”. The decision to move forward and work with both prospects was unanimous.

**Rerouting for a Win**

Working to keep both projects moving forward created a challenge for the city. Economic development staff had to inform UPS the site they were currently focused on was no longer available. UPS was initially resistant to the new site and even began searching other communities for a new location. However, after several phone calls, meetings with council members, a one-on-one meeting with Round Rock’s mayor and a tireless effort from the economic development team, UPS decision makers were persuaded to give up their search and call Round Rock home.

UPS is a global company with over 434,000 team members. Their regional expansion into Round Rock was expected to provide additional operating capacity for UPS in the greater Austin area, fortify its existing distribution network, and accommodate future growth in Central Texas. And the new prospect was expected to diversify Round Rock’s economy even further and support its growing destination market. By sticking to its strategy of relationship building, Round Rock was able to retain a potentially lost project, turning it into a win. This broader vision of economic development encourages growth, prosperity, and inclusiveness which resonates with corporate leaders.

**Innovativeness**

This project is considered innovative and creative for several reasons. First, the land chosen for the project was part of an ETJ and had to be annexed. Second, city partnerships had to be fostered to see the project through to completion. Not only did the economic development staff work closely with the brokers to help market sites and target users, the economic developers worked even more closely with the Opportunity Austin, city staff, and the county to ensure the project would be ideal for Round Rock. Additionally, this win took place because of the use of public and private partnerships. The city, county, and UPS all contributed to the enhancement of property such as the road system.

Round Rock’s city manager, mayor, planning manager, and the vice president of economic development visited with UPS leaders on several occasions to provide site information, build relationships, and mitigate choosing a new location within Round Rock. This helped them understand the scope of the project and gave them the ability to confidently support it moving forward.

**Transferability**

Every community has a different economic mix of businesses, so communities would need to identify what type of business would be supported by the regional workforce and infrastructure.

In this case, we knew Round Rock could support a distribution facility of this caliber. While the due diligence was being performed by UPS, it was also being performed by the
economic development agency to access workforce capabilities and the economic impacts of the projects. Because these needs all lined up, UPS was considered to be a great project for the community, and the city council was comfortable moving forward.

Community Commitment and Leverage

There were a lot of participants in this project. First, city council and administration identified the need to diversify and charged economic development staff with the task. The economic development staff worked to identify and recruit prospects. In addition to working with the companies themselves, the economic development staff also worked closely with the brokers representing the prospects and site owners.

Once the prospects began their due diligence phase, they had several meetings with economic development and city staff. The planning and development services department for the city, specifically, spent a lot of time with each prospect going over development plans and codes. When UPS was ready to sign agreements to purchase the site, economic development staff worked with the brokers, companies, the city attorney, city council, and the county to formulate an economic development incentive package considered to be a win/win for all parties involved.

Measured Objectives

The incentives for the project included county road improvements, a 380 grant and tax abatement, along with fee waivers, and fast track permitting. However, in order for UPS to take advantage of the incentives they are required to employee at least 500 team members at the Round Rock facility, with an average annual salary of $50,000. They are also required to invest a minimum of $70 million in real and personal property.

First Year Project Deliverables

| 500 Jobs | $70,000,000 Real & Personal Property | $50,000 Average Salary |

Secondary Benefits

UPS's regional expansion into Round Rock is expected to provide additional operating capacity for UPS in the greater Austin area, fortify its existing distribution network, and accommodate future growth in Central Texas. The project is part of their ongoing efforts to
keep pace with rapidly evolving demands of e-commerce customers in Texas, across the U.S., and around the globe.

The economic impact of this project is significant. UPS purchased fifty acres, and is currently building at least a 265,000 square-foot facility with an estimated worth between $70 to 80 million. They will increase their employment numbers over the next ten years, reaching 720 team members. The jobs will have an annual average salary of at least $50,000 a year. Round Rock will receive an estimated $2.5 million in additional revenues and the Round Rock Independent School District will receive an estimated $8.5 million in additional revenues.

### Economic Impact over the First Ten Years

<table>
<thead>
<tr>
<th>Net Benefits for Local Taxing Districts Over the First 10 Years*</th>
<th>City of Round Rock</th>
<th>Williamson County</th>
<th>Round Rock ISD</th>
<th>MUDs in Round Rock's ETJ</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Benefits</td>
<td>$2,463,457</td>
<td>$1,290,295</td>
<td>$8,555,126</td>
<td>$4,563</td>
<td>$12,313,440</td>
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<tr>
<td>Additional Costs</td>
<td>$105,773</td>
<td>$23,454</td>
<td>$6,474,278</td>
<td>$0</td>
<td>$6,603,505</td>
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<tr>
<td>Net Benefits</td>
<td>$2,357,684</td>
<td>$1,266,840</td>
<td>$2,080,847</td>
<td>$4,563</td>
<td>$5,709,934</td>
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<tr>
<td>Present Value of Net Benefits**</td>
<td>$1,800,827</td>
<td>$897,725</td>
<td>$1,643,093</td>
<td>$3,495</td>
<td>$4,345,140</td>
</tr>
</tbody>
</table>

Additionally, the road system near the UPS site is being enhanced via a public and private partnership. The planned enhancements will assist surrounding business with traffic flow increases. Establishments such as Microtel Inn & Suites, which sits within close proximity to the new UPS site, as well as O’Reilly Auto Parts, AutoZone, and Walgreens will all benefit. These businesses rely on passing traffic and the project proposed would increase the accessibility of such traffic flow patterns.

The greatest secondary benefit resulting from Project Deliver is the increased relationship amongst city officials, the county, and the economic development team with Opportunity Austin. Opportunity Austin is a five-year, five-county economic development initiative aimed at fostering job-creating investment in Central Texas. They initially brought the project to Round Rock’s attention and continued working beside us to help us land the deal.