

CDC pledges \$3 million for warehouse plan

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El Campo's industrial development agency offered \$3 million in infrastructure support to a proposed rail warehousing center Monday. Today, developers will update City Council on the project plans.

"We will partner on the water/waste water (infrastructure needs of the development)," Executive Director Carolyn Gibson told the *Leader-News*.

Ridgeline Properties envisions a 540-acre

(Continued from Page 1-A)

"The economic impact analysis was a real eye-opener," CDC Board President Kinnan Stockton said. "It's a great opportunity."

In addition to the city benefits, projections indicate El Campo ISD could receive almost \$31 million in tax dollars over the same time period with the hospital district gaining \$5.1 million, the county more than \$12 million, ambulance funding more than \$1.7 million and the fire district about \$770,000.

The total project is envisioned as eight million square feet of warehousing.

Ridgeline initially requested less than \$300,000 in city funds for utility line engineering last November. The request was granted with three conditions: positive due diligence studies, a 45-day deadline and annexation before the project proceeds.

Plagued by rainy weather, however, the company requested and received a 45-year extension in January. Efforts to obtain a second extension this month, however, met with Council concern on the viability of the project and the appropriateness of its role.

A joint session of the CDC/City Council last week drew the CDC blessing of the effort, but no financial support.

Directors, Stockton said, needed time to review the proposal, the possible impact and ways the development corporation could help. "We didn't want to put the cart before the horse," he said.

The current support plan calls for the city to actually issue certificates of obligation

"The economic impact analysis was an eye opener,"

— Kinnan Stockton, CDC board president

warehouse development located along a new rail spur just east of the current El Campo city limits.

Phase one of the proposed development, as presented to Council in November, would be

more than 1.5 million square feet of industrial space with utility service, a \$125 million industrial development.

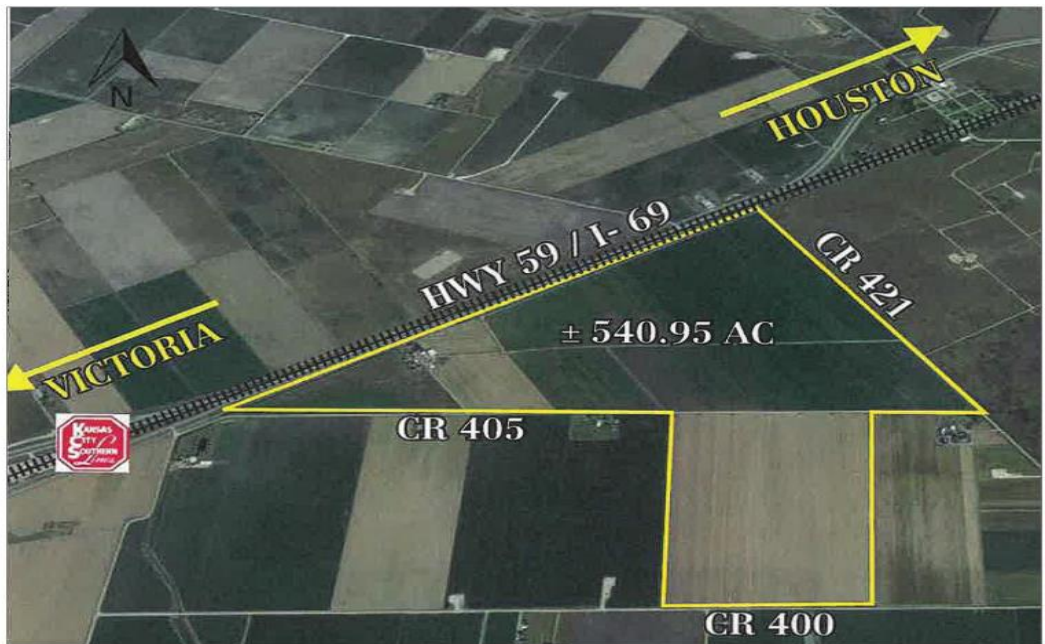
A CDC-requested report on the projected impact indicates 100 jobs would likely be cre-

ated if Phase one becomes a reality.

The development is projected to add almost \$6.9 million in sales tax over its first 20 years with an additional \$16.7 million in utility franchise fees for the city.

Property taxes are projected at less than \$1 million because tax dollars in the target area have been redirected to a Tax Reinvestment Zone funding freeway frontage roads. Payments to the TRZ are estimated a \$15.3 million.

(See COUNCIL TO HEAR, Page 6-A)



Ridgeline Property Graphic

Targeted Site

Ridgeline Properties is working to turn the above site into roughly eight million square foot of rail-spur served warehousing property over the course of time. The proposed Phase one, which the company tells city council it is ready to market, would be a \$125 million project.

(a non-voter approved bond) which would then be paid via CDC allocations.

Council must first approve the CDC plan, an action still pending.

Today, Council will meet at 5:30 p.m. in another joint session with the CDC to hear an update on the Ridgeline plan.

At that session, Council will be asked to re-consider its original commitment to the effort — engineering of utility lines to the site.

"This is no different than

the water lines we did down Hwy. 71," City Manager Minda Snyder told the newspaper, referring to a line expansion engineering study done in preparation for future funding.

"This would be an expansion design. I never saw it as speculative," she said. "The whole point of investing \$8 million (in freeway frontage roads) is to spur economic development — and that's what this is ... you have to provide infrastructure."

Ridgeline is preparing to market the project, Snyder said, adding she advocates moving forward with conducting the engineering study. "We have to begin design. If not, they are going to think the city is not interested and walk away."

If the city ultimately builds out the full infrastructure for the development (a lift station, water plant and force mains), it would require a \$4.5 million investment.