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LEDA studies plan to borrow funds for manufacturing projects

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The Lubbock Economic Development Alliance is looking at borrowing a still undetermined amount of capital that's expected to be used to finance infrastructure improvements leading to the construction of two manufacturing plants.

The board, which met in executive session for more than two hours Monday, also discussed the hiring of a bond counsel that will allow it to extend water, sewer, gas and roadways into two LEDA-owned industrial sites near Lubbock Preston Smith International Airport.

"This is a huge undertaking, so we're not about to rubber stamp these projects," LEDA Chairman David Alderson said.

The sites include:

LEDA has already spent \$1.63 million to date on the two projects, including land acquisition, legal fees and planning and design.

In September, the board indicated it could spend as much as \$6 million over the next five years on improvements at the sites.

Gary Lawrence, the chief executive officer for the city-appointed board, said the board should have a better handle on those costs when it meets in May.

"We're looking at issuing some tax exempt debt, but all we have seen are some preliminary figures," he said.

Lawrence said the board will probably seek a professional opinion from a bond counsel that could cost as much as \$25,000 to ascertain whether it can borrow funds, the interest of which could be returned to a lender tax-free based on LEDA's own tax-exempt status.

Lawrence said LEDA would benefit because it would be able to borrow those funds significantly below the prime rate - what banks charge their best borrowing customers.

"We only want to spend on what we actually have to do," he said, alluding to the extension of utilities and roads.