



About the Texas Economic Development Council

Founded in 1961, and with over 950 members, the Texas Economic Development Council (TEDC) is the nation's largest state association of economic development professionals. TEDC is our state's leading advocate for public policies related to economic development. TEDC is dedicated to working closely with lawmakers to support legislation that will promote a positive business environment and pro-economic development initiatives to enhance Texas' ability to compete for jobs and investment.

Legislative Priorities



- 1 Protect the Economic Development Sales Tax for Economic and Community Development Purposes
- 2 Support the Proposed Legislation to Replace Chapter 313 as a Vital Economic Development Tool
- 3 Preserve Chapter 380/381 Agreements for Economic Development Projects
- 4 Support Continued Funding of the Texas Enterprise Fund
- 5 Support Continued Funding of Texas Workforce Development Programs and Investments in Worker Training
- 6 Support and promote Programs for Innovation and Entrepreneurship to spur Economic Growth

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Protect the Economic Development Sales Tax for Community and Economic Development Purposes



- The Type A/Type B Sales Tax is an indispensable local asset to help keep Texas at the forefront of success in economic development
- Keep the Type A/Type B Sales Tax in its current form
- Allow communities to continue to use the Type A/Type B Sales Tax for primary job creation and community development investments

HIGHLIGHTS OF MORE THAN 30 YEARS OF UNPRECEDENTED SUCCESS OF THE TYPE A AND TYPE B SALES TAX

- On average, every \$1 in economic development sales tax collected yields \$131.84 in output and \$82.42 in income
- Projects facilitated by the economic development sales tax include \$7.1 billion per year, with \$4.9 billion per year in fiscal benefits to local taxing entities across the state
- Projects receiving location, expansion or retention assistance from the sales tax for economic development generated an overall impact (including multiplier effects) of nearly \$110.1 billion in annual gross state product and nearly 1.2 million jobs
- The sales tax for economic development has been particularly beneficial to small and rural communities by contributing to nearly one-quarter of the state's job growth since 1990 and more than 20 percent of net new jobs in Texas
- Economic development corporations in aggregate generate more than \$1 billion annually in funding for their organizations. More than \$300 million of those funds are dedicated to funding infrastructure to support economic and community development in our rapidly growing state

What TEDC Supports



Keep the Economic Development Sales Tax in its current form to support primary job creation and community development investments

What TEDC Opposes



Legislation that diverts economic development sales tax dollars away from primary job creation and economic and community development purposes already outlined in the law

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Support the Proposed Legislation to Replace Chapter 313 as a Vital Economic Development Program for Texas



- The Texas Economic Development Act (Chapter 313) helped attract billions in new investment to Texas and created thousands of high-paying jobs, while increasing the property tax base for school districts and local governments
- TEDC supports the reauthorization of this important property tax reduction program for large-scale investments that would not otherwise land in Texas

RECENT ECONOMIC DEVELOPMENT PROJECTS THAT UTILIZED CHAPTER 313

- Texas Instruments Semiconductor Facility (Sherman, TX)
 - Four phases each in excess of \$7 billion in investment and 800 high-paying jobs; overall \$30 billion and 3,200 jobs
- Samsung Semiconductor Facility (Taylor, TX)
 - \$17 billion investment and more than 2,000 jobs (single largest capital investment in a single site in Texas history)
- Steel Dynamics Plant (Sinton, TX)
 - \$1.9 billion investment and 600 jobs, with potential for 3,600 jobs over a ten year period and an estimated \$192 million in new net taxes to local governments and school districts

What TEDC Supports



Passing legislation to replace Chapter 313 of the Texas Tax Code in order to remain competitive for large-scale capital investment projects that bring high-paying jobs to Texas

What TEDC Opposes



Elimination of this valuable economic development tool and/or overly burdensome restrictions that would render the program obsolete or unattractive for business investment

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Preserve Chapter 380/381 Agreements for Economic Development Projects



- Chapter 380/381 Agreements provide local governments with the power to develop creative incentive programs to meet the needs of their expanding or relocating prospect companies that in turn stimulate business and commercial activity
- House Bill 2404, passed by the 87th Texas Legislature, instructed the Comptroller's office to create and make accessible an online Chapter 380 and 381 Local Development Agreement Database that contains information regarding all local development agreements in the state

RECENT ECONOMIC DEVELOPMENT PROJECTS THAT UTILIZED CHAPTER 380 AND CHAPTER 381

- Texas Instruments (Sherman, TX)
 - The Sherman Economic Development Corporation (SEDCO) attracted the largest economic development project ever announced in the state of Texas. The four-phase 300-millimeter semiconductor wafer fabrication plant is expected to generate capital investments in excess of \$7 billion and generate 800 high paying jobs per phase. In all, the projects would generate nearly \$30 billion in capital investment and create 3,200 jobs
- Samsung (Taylor, TX)
 - The Taylor Economic Development Corporation attracted a \$17 billion Samsung semiconductor manufacturing facility – the largest foreign investment in a single Texas site. The six million square foot manufacturing facility will be sited on over 1,200 acres and bring more than 2,000 jobs to Taylor, TX
- Schneider Electric (El Paso, TX)
 - The Borderplex Alliance worked with Schneider Electric to expand their presence in El Paso to secure a new \$16.7 million investment. The expansion will add 368 to 400 new jobs to the El Paso region

What TEDC Supports



Preserve Chapter 380 and 381 as a viable and widely used tool for all kinds of economic development projects

What TEDC Opposes



Legislation that eliminates or diminishes the effectiveness of Chapters 380 and 381



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Support Continued Funding of the Texas Enterprise Fund (TEF)



- The TEF is a deal closing fund used for economic development projects that must prove competition with another state or country, significant job creation, above average wages, substantial capital investment and community involvement
- Since 2004, the TEF has awarded more than \$679 million toward projects creating nearly 110,000 direct jobs and more than \$53 billion in capital investment

RECENT TEXAS ENTERPRISE FUNDED PROJECTS

- Great Lakes Cheese (Abilene, TX)
 - \$184 million capital investment and 510 jobs
- Leprino Foods (Lubbock, TX)
 - \$870 million capital investment and 600 jobs
- Samsung (Taylor, TX)
 - \$17 billion in capital investment and 1,800 jobs
- Knauf Insulation (McGregor, TX)
 - \$210 million in capital investment and 210 jobs
- Cacique Foods (Amarillo, TX)
 - \$88 million in capital investment 187 jobs
- Fujifilm Diosynth Biotechnologies (College Station, TX)
 - \$300 million in capital investment and 150 jobs

What TEDC Supports



Funding the TEF at an increased level for the 2023-2024 biennium and efforts to improve transparency in the program

What TEDC Opposes



Elimination of the fund and/or legislation that imposes mandatory funding set-aside for certain geographic regions or industries



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Support Continued Funding of Workforce Development Programs and Investments in Worker Training



- A talented and highly-skilled workforce is vital in order to compete for jobs and investment for continued economic development success
- Support continued funding of workforce development programs such as the Skills Development Fund, the High-Demand Job Training Program, Jobs and Education for Texans Program and Skills for Small Business Programs facilitated by the Texas Workforce Commission
- Support programs facilitated by Texas Workforce Development Boards to upskill, retrain and educate the labor force
- Support initiatives to improve education outcomes and training for Texans

IMPACTS OF TEXAS WORKFORCE DEVELOPMENT PROGRAMS

- Since 1996, the Skills Development Program has provided training opportunities in partnership with at least 4,801 employers to upgrade or support the creation of more than 419,904 jobs
- In Fiscal Year 2022 the High Demand Job Training program awarded 15 projects, totaling \$1.5 million, and provided training for over 3,200 participants
- In Fiscal Year 2022 the Skills Development Fund and Skills for Small Business Program provided workforce training for more than 10,500 individuals

What TEDC Supports



Continued funding for the Skills Development Fund, the High Demand Job Training Program and other important workforce programs that train, retrain and invest in a skilled and talented workforce

What TEDC Opposes



Legislation that would eliminate or reduce funding of vital workforce development and training programs or any adverse effects on the ability of Texans to receive skilled training

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Support and Promote Programs for Innovation and Entrepreneurship to Spur Economic Growth



- Support and promote GURI (Governor's University Research Initiative)
- Support and promote CPRIT (Cancer Prevention Research Institute of Texas)
- Advocate and promote programs that support small businesses and entrepreneurship
- Support investments in technology, innovation and infrastructure improvements to make Texas attractive for business investment

IMPACTS OF GURI ON TEXAS

- Initiative brings the best and brightest researchers in the world to Texas universities
- \$62.2 million in matching grant funds to five Texas universities
- Research funding by GURI will serve as an economic catalyst for years to come

IMPACTS OF CPRIT ON TEXAS

- 228 New Clinical Studies
- \$8.18 Million Prevention Services Provided to Texans
- 281 Clinical Researchers and Labs Recruited to Texas
- 194 Child and Adolescent Cancer Projects
- 67 Core Facilities Support to Ensure Cutting-Edge Research

What TEDC Supports

Programs and initiatives that support small businesses, provide entrepreneurial opportunities and encourage innovation for economic prosperity

What TEDC Opposes

Legislation that hinders innovation, restricts or imposes burdens on growing small businesses, and laws that do not support entrepreneurial development



Other Important Factors Affecting Economic Development in Texas

State Economic Development and Tourism Office

With the national landscape for business and tourism becoming increasingly competitive, Texas benefits from having a centralized entity that offers a statewide approach to highlighting the state's key assets and unique benefits. The TEDC whole-heartedly supports the Sunset's Commission recommendation that the state has a continuing need for the Texas Office of Economic Development and Tourism Office.

What TEDC Supports

Continuation of the Office of Economic Development and Tourism for 12 years and removal of the sunset date of the office's enabling statute.

What TEDC Opposes

Sunset of the state's Office of Economic Development and Tourism.

Water Resources and Availability

Access and availability of water resources are vital to the continued success of economic development opportunities in Texas. Our state and communities should strive to be "Water Ready" as we pursue new economic growth and to continue to meet the demand of existing water consumers in Texas.

What TEDC Supports

Expand a portion of surplus funds to develop new sources of water and infrastructure to deliver the water. Investment in new technologies to expand water resources.

What TEDC Opposes

Not funding programs to ensure adequate water resources for Texas, and any legislation to eliminate or defund water-related infrastructure plans.

Broadband Access and Expansion

Access and affordable internet broadband is necessary for all Texans and communities across the state in order to meet the needs of educating the future workforce and for businesses to be connected and successful. Expanding internet broadband to unserved and underserved areas of Texas is important for economic and community development initiatives.

What TEDC Supports

Programs and initiatives to support and fund expansion of internet broadband to unserved and underserved areas of the state

What TEDC Opposes

Legislation that restricts or impedes development of broadband expansion to unserved and underserved communities

